



Daily Report

East Europe

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27 August 1993

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World Court Ends Hearing; Yugoslavia Refutes Charges

LD2708084293 Belgrade TANJUG in English 0528
GMT 27 Aug 93

["Pool" item]

[Text] The Hague, Aug 26 (TANJUG)—The world court on Thursday afternoon [26 August] ended a two-day hearing in connection with Yugoslavia's request for introduction of urgent provisional measures ordering the pro-Moslem government in Bosnia-Herzegovina to halt the acts of genocide against the Serb people in Bosnia, and the request of the Moslem government in Sarajevo that Yugoslavia be held responsible for participating in a genocide against Bosnian Moslems.

The court should soon arrive at a provisional decision about the two diametrically opposed demands, and another demand of the pro-Moslem Bosnian Government asking the tribunal to declare itself against the peace plan for Bosnia proposed by international mediators Lord Owen and Thorvald Stoltenberg.

Yugoslav officials on Thursday refuted all accusations of the pro-Moslem Bosnian Government and accused the Moslem troops of crimes against Bosnian Serbs.

Noting that a decision of Bosnian Moslems and Croats to take away Bosnia from ex-Yugoslavia denied the local Serbs the right to self-determination in violation of the basic principles of international law, Miodrag Mitic of the Yugoslav delegation challenged the right of the pro-Moslem government in Sarajevo to represent the former Yugoslav Republic of Bosnia-Herzegovina.

Mitic also said that the mandate of Bosnian Moslem President Alija Izetbegovic had expired a long time ago,

and that the legitimate representatives of Bosnian Serbs and Croats had walked out of the presidency.

Denying any responsibility of the Federal Republic of Yugoslavia for the events in Bosnia and the alleged crimes of genocide against Bosnian Moslems, Mitic said that Yugoslavia had for months allowed humanitarian convoys carrying aid to Bosnian Moslems to pass through its territory.

If the Yugoslav Government had anything against Bosnian Moslems, he added, it would certainly not allow almost 40,000 Bosnian Moslem refugees to remain in its territory and tens of thousands of other Moslem refugees to pass through Yugoslavia on their way to Western Europe.

It is strange that the Moslem side had asked the world court to deliberate on its earlier demand on the same day when the Bosnia peace talks resumed in Geneva, said Mitic and asked whether this should be taken as the Moslem side's wish to accelerate the peace process or hinder it.

Charge d'Affaires of the Yugoslav Embassy in The Hague Djordje Lopicic said that the Serb people in Bosnia had been systematically persecuted and exterminated, just like during World War Two, in order to clear some territories for the Moslems.

The crimes against Bosnian Serbs have been committed by Moslem military and paramilitary forces acting upon the orders of the authorities in Sarajevo, he said.

In substantiation, Lopicic cited a report of the Helsinki watch saying that Moslem and Croat forces in Bosnia resort to intimidation, persecution and harassment of Serbs in some parts of Bosnia-Herzegovina in order to force them to leave the Moslem- and Croat-controlled territories.

Berisha Speaks on Parliamentary Successes*AU2608175693 Tirana RILINDJA DEMOKRATIKE in Albanian 3 Aug 93 p 1*

["From the Speech of President Sali Berisha" at a meeting with Democratic Party deputies marking the end of the parliamentary session; place and date not given: "Parliament—Not Only Support, but the Government's Best Opposition"]

[Text] It is a fact that the changes that have taken place this year have been faster than we anticipated. One year ago, Albanian was an utter wasteland, in which fields were sown but where you saw nothing in the ships, nothing anywhere. There were long lines, despair, chaos, gunshots, and a feeling of depression caused by the exoduses and mass destruction. However, what has been very, very positive has been that the Albanian themselves, in building a different society, have strongly set themselves against this picture of Albania that was created at home and indeed abroad.

The pace and rate of progress have been exceptionally fast. The Albanians themselves first of all deserve credit for this, in highly appreciating and valuing democracy. The government deserves credit; it has been unscrupulously criticized as a government without a program at a time when, if you remember, the IMF and the EEC described the Albanian Government's program one year ago as brilliant. The parliament deserves exceptional credit; for a whole year it has worked intensively to fill the extraordinary legislative void we inherited. It is true that the parliament has not only been the government's support, but at the same time the government's best opposition. I appreciate this fact as highly important in all our work. We need and will need opposition. Opposing views are a necessary condition for development. Similarly, I am pleased with the value highly the democratic and very free character of discussion within the group of deputies. This is a vital and very important thing not only for the development of democratic culture and tolerance, but for the development of democracy as a whole.

This year finds Albania again in great difficulties. It finds us in great difficulties because, unfortunately, we are situated in a region in which conflict and the politics of conflict prevail in political life. Regardless of this, it is very important for us to continue on the domestic front with the reform, construction, and consolidation of institutions. The reform is the surest, if the most difficult, way to recover lost time and to strengthen the position of the citizen in Albania, as part of also strengthening the position of our country. In this sense, I believe that in the next six months, until the end of this year, we will concentrate on the privatization of small and medium-sized enterprises. However, what I urge on you particularly is that in these six months we must prepare ourselves psychologically for the total privatization of our economy. We must think about privatizing things we have never thought of privatizing before. In thinking

about this privatization of all the mines, Telekom, the ports, etc., we will stimulate Albania's fast development and consolidation. Meanwhile, in these six months, we will proceed with the privatization of the announced package of 500 enterprises and will put a bill before parliament. Moreover, we will next year undertake privatization, strengthening Albania fast. The truth is that this will be the fullest guarantee of realizing the reform in Albania.

As we stressed, we live in a difficult time also as regards the conflict in the region. I think that the course of self-restraint remains the course of success, and we must keep to this course. Of course, I stress once again that our self-restraint is based on many factors, but fear is not one of them. Those who imagine that our self-restraint is fear or hides fear are seriously mistaken. No. We seek to build in peace a democratic state, a democratic society, and a market economy, holding fast to the principles of the civilized world. Again, we will not lose our will and desire for good-neighborliness, but cannot fail to draw the necessary conclusions when we see a year or more's intensive work to establish friendly ties destroyed in one week or one day. This attitude on their side does them no credit. It is a very shortsighted policy that has nothing to do with an electoral campaign, as certain circles that wish to make light of it have commented, but concerns territorial ambitions that will never ever be realized. Unswervingly pursuing our course of understanding and good-neighborliness, we are of course determined, and will remain determined, not to allow our sovereignty and territorial integrity to be violated under any circumstances. By holding fast to the great principles of preserving sovereignty and protecting fundamental human rights and freedoms, and continuing to construct a democratic state and society, we will never find ourselves isolated, but will have the support of all those countries, states, institutions, and individuals that value these principles and hold them sacred.

I am optimistic that September will be better than August, because progressive improvement is noticeable every month. However, it is necessary for us to undertake an analysis, a retrospective analysis, of our work. In this context, I wish to stress something that deserves greater emphasis: Because we are a political force that came to power without experience of government, it is inconceivable that we should not make many mistakes in our work and in the process of governing. This is of course admissible.

What is inadmissible is a failure to view our mistakes and to correct them.

I wish to especially stress here that it is of capital importance to bear in mind the party program. There is not and cannot be any question of deviating from this program, which is necessarily mandatory on the entire Democratic Party [PD]. It is a program for which the majority of the Albanian people voted. If votes have declined, this does not mean that the program is declining, but that we have erred, and have not been able

to properly prove or apply the PD program. I am convinced that the people of Albanian would vote for this program again not once but 100 times. I want to say that everything is open, but the program is mandatory. It can only be changed by the national assembly of the party. It can only be changed the free vote of every voting member of this assembly. Anybody who imagines that it can be changed in a different way or by different authors will face a serious disappointment. I therefore ask you all to read and study this program, and to notice where we have fallen short, what we have left undone, and where our shortcomings are. It is the program with which we presented ourselves to our electorate. I can say with satisfaction that so far we have rigorously kept to its main points.

I think that the PD must always be a party of tolerance and dialogue. In this sense, we must expand our area of dialogue with the two parties with which we are in coalition and which indisputably contributed to the victory of democracy. It is up to the PD, as the largest party, to expand the area of dialogue regardless of the maverick stands of one individual or another. We must see the great similarities between their programs and ours. We must notice the very effective work of the representatives of these parties in the government and at all levels of the state. This must be taken into greater consideration than the speeches of one deputy or another, who is after all free to say what he likes. If we were to come out in the auditorium with the speeches make within the PD group of deputies, we would see that they are highly diverse and aggressive. That is what deputies are like. I therefore say that the scope for cooperation and dialogue must be expanded.

Most important of all is dialogue with citizens, which is direct politics. It is laudable that so far this dialogue has been maintained. It is remarkable to see the PD chairman and members of the government going out in the midday sun to meetings with hundreds and hundreds of people in different areas of the country. This is an admirable practice, and must be developed further. I promise you that in this way we will develop democracy more. It is vital to keep this dialogue alive, and it is of very great importance for the future. Why is it important? It is important in creating genuine parliamentarians, who are not deputies by virtue of the party lists, but parliamentary deputies who win in their constituencies not once but 20 times in succession, because they have sweated hard, found a language of communication, and have helped people and gained their love. If such a deputy loses one day, he must think hard to see how he himself has fallen short in this area. Thus, in this context, we must realize that the stronger your constituencies become, the stronger the rule of parliament and democracy also become.

I wish you once again success and an enjoyable vacation.

Supreme Court Rejects Appeal of Hoxha's Widow

AU2608194993 Tirana Radio Tirana Network in Albanian 1330 GMT 26 Aug 93

[Text] Nexhmije Hoxha is to serve her 11-year jail sentence, while Kino Buxheli will serve three years—this was the verdict of the Supreme Court of Appeal after examining the two cases at a hearing this morning.

Our correspondent Pandeli Shehu reports that it was an open hearing conducted by Avni Shehu, chairman of the court, and its members Nafiz Bezhani and Agim Gjoleka.

Mr. Agim Gjoleka read out the sentences of the Tirana District Court and the Supreme Court of Appeal concerning the two, as well as the appeals they had submitted to the Supreme Court for a reexamination of their cases. After the reports, counsels for the defense, Dhimitër Beshiri for Hoxha and Perparim Sanxhaku for Buxheli, presented their objections to the sentences. They analyzed some of the main evidence on which the charges are based so as to establish their innocence, evidence that, according to the defense, is false. Because of this, they asked for the two to be acquitted. Counsel for Buxheli asked for mitigating circumstances to be taken into consideration in his case.

Prosecutor Gani Dizdari considered the verdicts by the Supreme Court of Appeal as just and safe, and demanded that they should stand.

After withdrawing to deliberate, Chairman Shehu declared that the verdict of 11-years of imprisonment for Hoxha shall stand, but reduced Buxheli's sentence by one year, so that instead of four years' imprisonment, he will serve only three.

Government Introduces New Surcharge on Imports

AU2608192493 Tirana ATA in English 0815 GMT 26 Aug 93

[Text] Tirana, August 26 (ATA)—A new system of custom duties has recently been established in Albania. Albanian merchants will have to pay a 5 percent surtax in addition to the customs duties they have paid in the past on imported goods.

According to this decision, the new customs duty will also be applied to foodstuffs with the exception of wheat and flour.

The new system was introduced because the merchants' profits have been greater than the revenues for the state budget produced by the imports. It is also hoped that the surtax will help control price increases in the market.

ATA Views Infrastructure Projects, Foreign Involvement

*AU2508114093 Tirana ATA in English 1039 GMT
25 Aug 93*

[Preparations for Infrastructure Projects in Albania—
ATA headline]

[Text] Tirana, August 25 (ATA)—The first phase of the construction of Tirana-Vora road, part of the new Tirana-Durres road, will be initiated in October this year, and the government has already appropriated the funding for the first 5 kilometres. The new road will be built in stages along the existing road. Both roads will be 19 meters wide. The new road will be built according to European standards for vehicles travelling at speeds of 80-100 km per hour. Nineteen Albanian and foreign firms such as Austrian, Czech, Slovenian, Italian, Kuwaiti firms, have been registered by the Ministry of Transportation and Communication to take part in the bidding. The contract will be awarded by September 15.

Albanian Firms To Bid on the Project for the Rehabilitation of the Durres Port

Only Albanian firms will be permitted to bid on the first part of the rehabilitation project for the port of Durres the construction will be supervised by Albanian specialists as well. The 8.7 million dollar project, the first stage of which will cost 2.4 million dollars, will be financed by Kuwait. Foreign firms will be allowed to bid on the second phase of the project consisting of purchase of equipment and spare parts worth nearly 6.3 million dollars. The World Bank has allocated 200 thousand dollars for a study on improving the processing capacity of the Durres and Vlora ports and 0.7 million dollars in technical assistance for privatizing the management of the port of Durres.

Bidding To Be Opened on Tirana Sanitary Project

Albanian and foreign firms will take part in the bidding on a project for the improvement of sanitary conditions in Tirana which will be held in September. So far, there have been offers from Albanian firms, joint ventures, Italian, Slovenian and other foreign firms. Pollution in Tirana has increased considerably in recent years and equipment and systems presently in use in the Albanian capital are inadequate to the task of keeping the city clean and sanitary.

Trenchev Demands Neev Dismissal for FRY Meeting

AU2608174193 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 26 Aug 93

[Text] In a letter to Prime Minister Lyuben Berov, Konstantin Trenchev, president of the Podkrepa Labor Confederation, expresses his indignation at Deputy Prime Minister Neycho Neev's meeting with senior officials of the FRY [Federal Republic of Yugoslavia] Embassy. Dr. Trenchev also mentioned what he called the scandal of Mr. Neev's political practices and insisted that prime minister should strip him of his powers.

Government spokesman Raycho Raykov announced that the cabinet had not yet formed an official view on Podkrepa President Dr. Trenchev's open letter to the prime minister, in which, as mentioned above, Dr. Trenchev insists that Deputy Prime Minister Neycho Neev should be immediately stripped of all his powers.

Cabinet Adopts Draft Decree on Wartime Plan

AU2508200893 Sofia BULGARSKA ARMIYA in Bulgarian 20 Aug 93 p 1

[BULGARSKA ARMIYA staff report]

[Text] On 19 August Professor Berov's cabinet adopted a draft decree submitted by Defense Minister Valentin Aleksandrov on a wartime plan order to guarantee our national security.

The first section of the order clearly points out that it regulates the following matters: the exchange of goods, directions, organization, control, financing, planning, and guaranteeing of supplies of goods and materiel under the national wartime plan, and provision of repair services and technical aid (services) abroad in peacetime, during a state of emergency, or in wartime. The state and local administrations, commercial companies and associations, cooperatives, and cooperative enterprises are obliged to fulfill the order by implementing the exchange of goods specified in the wartime plan.

The following will have priority in the fulfillment of the wartime plan: the Defense Ministry, Interior Ministry, National Intelligence Service, National Protection Service, wartime formations, ministries and government departments, manufacturers of military products, and so on.

Section 3 of the order details the obligations of all ministries, departments, oblasts, municipalities, and commercial companies as regards ensuring implementation of the wartime plan. Section 4, which deals with administrative and penal provisions, states that leaders of the state and local administrations, local self-government bodies, commercial companies, and citizens of the Republic of Bulgaria who are guilty of failing to carry out their obligations under the order are liable to administrative sanctions, property fines, disciplinary action, and prosecution in a court of law.

The Council of Ministers, through the Interdepartmental Council for National Defense and Mobilization Preparations, assigns to the state and local administrations the main obligations in ensuring the exchange of goods under the wartime plan, which includes assisting commercial companies, cooperatives, and cooperative enterprises in implementing this strategically important exchange of goods by issuing permits for foreign trade activities and other initiatives.

Section 5 of the order states that the minister of defense issues instructions and exercises control over the implementation of the order with a view to guaranteeing the timely and obligatory fulfillment of the wartime plan of the Republic of Bulgaria, guaranteeing the Bulgarian Army's high combat readiness and its proper equipment with weapons and military hardware.

Zhelev Holds Meeting With Queen Mother Ioanna

AU2608202093 Sofia BTA in English 1855 GMT 26 Aug 93

[Text] Sofia, August 26 (BTA)—The Bulgarian Queen Mother Ioanna, wife of King Boris III who ruled from 1918 until his death in 1943, and her daughter, Princess Marie-Louise, talked over tea with President Zhelyu Zhelev and his family at the Boyana Residence near Sofia. It was a private meeting and reporters were not admitted. No details of the talks became known. Queen Ioanna, 85, and Princess Marie-Louise arrived here on a ten-day private visit yesterday.

The queen mother and her daughter had a half-hour meeting with Sofia Mayor Aleksandur Yanchulev this morning. A multitude of people had gathered at the entrance to the City Hall to greet them, shouting "Ioanna," "Simeon," and "We want our king." Some of them had brought photos of King Boris III and Simeon II, who lives in Madrid. Mr. Yanchulev familiarized his guests with the changes in Bulgaria. He told them the authorities had restored the former names of a number of streets in Sofia, some of which are named after members of the royal family. According to the spokesman of the mayor's office, the queen mother recollected her youth in Sofia, where she lived for some 16 years. She spoke very little because of her advanced age. Mr. Yanchulev said that at his meetings with Bulgarian Jews living in Tel Aviv they always mentioned King Boris III's role in the deliverance of the Bulgarian Jews from the Nazi death camps in 1943. At the end of the meeting the mayor presented a gift—an embroidered tablecloth—to the queen mother.

Queen Ioanna and Princess Marie-Louise visited the Boyana Church near Sofia in the afternoon.

Government Bans Grain Exports for One Year

*AU2608170793 Sofia BTA in English 1413 GMT
26 Aug 93*

[Text] Sofia, August 26 (BTA)—The government today imposed a ban on the export of grain, grain products and related waste products, soybean oil cake and sunflower seed until September 1994.

The ban was imposed because this year's crop will not meet domestic requirements, Rumen Khristov, deputy minister of agriculture, told the press. At the same time many farmers are not selling because they expect the effective ban on grain export to be lifted.

The ban applies to wheat, mixed wheat and rye, rye, barley, oats, maize, all types of flour, groats, semolina, granulated grain products, soybeans, bran and other types of waste, oil cake and other solid residues left after the extraction of soya oil, ground and agglomerated sunflower seed waste, plant waste and by-products used as animal feed, and mixed feed made of grain.

Podkrepa Supports Pig Breeders' Protest

*AU2608191893 Sofia BTA in English 1726 GMT
26 Aug 93*

[Report by Ekaterina Kazasova]

[Text] Sofia, August 26 (BTA)—Pig breeders in different parts of Bulgaria today staged one-hour warning strikes.

The Independent Trade Union of Pig Breeders last week threatened to strike unless the subsector's problems are

solved. About 6,000 members of the union, supported in many places by members of the Podkrepa Labour Confederation, took part in the protest actions today in the areas of Shumen, Stara Zagora, Dobrich, Vidin, Varna, Pleven and elsewhere around the country.

This is the second wave of pig breeders' protests since the beginning of the year. Cornered by lack of funds and mounting animal mortality, they arrived in Sofia in March and threatened that if their problems were not addressed, they would bring the starving hogs in front of parliament building. The government then released grain from its reserves to secure animal feeding and solved the problem for the time being.

Now tensions have mounted for the same reasons: Again, there is no money for animal feed, for wages and fuel. There is no clearcut policy on the future of the subsector, pig breeders say. They accuse the Agriculture Ministry of inaction and insist on a transformation of their over 2,300 million leva bad debts into public debt. Of all agricultural subsectors, pig breeding is the most heavily indebted, it accounts for about one third of the overall farming debt. The expected shortage of animal-feed grain will result in further difficulties. The government's intentions to ban grain exports and revoke customs duties on imports will hardly help pig breeders much because of the recent steep rise of grain prices. Apart from a settlement of their bad debt problems, pig breeders want low-interest short-term loans to buy grain and animal feed and a ban on the import of pork. They expect the government to come up with a specific decision by September 6 and threaten that otherwise they will stage a protest sit-in in front of the Council of Ministers building.

Russian President Yeltsin Visits Prague

Agreements Signed

LD2608114693 Prague Stanice Praha Radio Network in Czech 1030 GMT 26 Aug 93

[Excerpts] Russian President Boris Yeltsin began a working visit to the Czech Republic this morning. David Stahlavsky reporting from Prague castle has more details.

[Stahlavsky] Since his arrival in Prague two hours ago, Yeltsin has already completed talks with Czech President Vaclav Havel. In view of certain rescheduling, talks with Premier Vaclav Klaus are expected to take place now. [passage omitted]

Agreements on trade and economic relations and scientific and technological cooperation have been signed, as well as a protocol on mutual exchange of goods with retrospective validity for the current year. [passage omitted]

Havel Statement

LD2608124493 Prague Radiozurnal Radio Network in Czech 1102 GMT 26 Aug 93

[Opening speech by President Vaclav Havel to joint news conference with Russian President Boris Yeltsin at the Prague Castle—live]

[Text] First of all, I would like to thank President Yeltsin because on the occasion of his state visit to Poland he has stopped over to pay a brief working visit to the Czech Republic. I see this as an expression of his sympathies for our Republic.

I am glad we have been able to sign a new interstate treaty between the Czech Republic and the Russian Federation. This is the first treaty between our two young states. It is a treaty between two sovereign, independent, and equal states. Its purpose lies, among other things, in that its ratification will end the validity of the old treaty between Czechoslovakia and the Soviet Union, a treaty from the time of communism. I see, of course, the main importance of the treaty in that it creates a psychological and political climate for the conclusion of more specific treaties and for further bilateral cooperation.

I would like to recall a specific symbolic significance of the fact that this treaty has been signed today when we are commemorating the 25th anniversary of the signing of the ignominious Moscow Protocols. I also believe that an era of good cooperation between our two democratic states is beginning.

Yeltsin Statement

LD2608125693 Prague Radiozurnal Radio Network in Czech 1102 GMT 26 Aug 93

[Opening statement by Russian President Boris Yeltsin at news conference at Prague Castle in Prague; Yeltsin speaks in Russian with passage-by-passage translation into Czech;—live]

[Text] Dear Mr. President: I should point out first of all that the initiative for this brief working visit and for carrying out this trip to the Czech Republic rests with President Vaclav Havel. Indeed, the dialogue and our talks today, although they were brief, were necessary, because we need to create an absolutely new treaty on a legal basis between the two states—new states—between the new Russia and the new Czech Republic. Mr. Havel and I have probably met approximately five times already, starting from the time we had a meeting before we were presidents. This visit is not only a mark of respect to the Czech people and the Czech Republic, but also personally to my friend, President Havel. We have signed a new treaty, an absolutely new one, and the representatives of the leaders of the republics have also signed two agreements. Taking into account the fact that there are over 50 old treaties and agreements, however, we agreed that following the appropriate preparation in setting up two commissions or a joint commission and the preparation of agreements, a visit would be made, at my request, by Prime Minister Vaclav Klaus to Moscow for talks with Viktor Chermomyrdin, chairman of the government.

This visit coincides with a sad anniversary, the 25th anniversary of the invasion by the troops of the former Soviet Union and the Warsaw Treaty. I wish to stress yet again that we condemn this as aggression, as an attack on a sovereign, independent state, as interference in its internal affairs. Of course, Russia did not have its own statehood then and does not bear responsibility for this. The responsibility for this is borne by the former leaders of the Soviet Union and the Communist Party of the Soviet Union.

The entire level of our relations is such that we are sovereign, independent states. We feel that if the Czech Republic joins, or intends to join certain European organizations and to integrate with Europe, Russia has no right to stand in its way.

I am carried away by the beauty of Prague. I love the city. This is not the first time I have been here. I find Prague Castle delightful. I am delighted by the way the people of Prague welcomed the president and me on the streets today. I thank you, Mr. President, for your hospitality, for your kind remarks. I am satisfied with this short but very fruitful visit.

Havel, Yeltsin News Conference

LD2608141593 Prague Radiozurnal Radio Network in Czech 1102 GMT 26 Aug 93

[News conference with Russian President Boris Yeltsin and Czech President Vaclav Havel; with unidentified moderator, correspondents, and studio announcer Stahlovsky; Yeltsin in Russian with passage-by-passage translation into Czech; at the Prague Castle—live]

[Text] [Moderator] Questions please. Czech Television, if you please.

[Correspondent] [Words indistinct]

[Yeltsin] Well, as far as being jealous is concerned, and spending so many hours in Warsaw and so many hours in Prague, I think that it had to be like that according to the program, since I had been to Warsaw only once, that was my first time, whereas I have been to Prague about four times. That is the first thing. Second, I was only one day in Warsaw. We discussed with the president and with the prime minister the question of debt and decided that during Mr. Klaus's visit to Moscow a corresponding working group would prepare a draft to decide this question.

[Moderator, in Russian] Question by RIA/Novosti agency. Vladimir Markov.

[Markov, in Russian] Boris Nikolayevich, today you have already been to Warsaw, now you are in Prague and then quite soon you will be in Bratislava. How much political significance do you attach to relations with these states and what do you think of the idea of creating a unified European space? [Stahlovsky repeats question in Czech, partially covering Yeltsin's voice]

[Yeltsin] I have already said before—and you can go through your notes and see for yourselves—that we have clearly been underestimating contacts and cooperation with the countries of Central and the former Eastern Europe.

My present visit to a certain degree fills this gap. As far as the creation of a unified European space is concerned, then this is a matter for each individual state.

We personally are in favor of integration, we are in favor of joining the European community and the Council of Europe, and we are currently holding talks on this question.

[Stahlovsky] Mrs. Gelcova of RUDE PRAVO.

[Question in Czech and translation into Russian indistinct] [Stahlovsky sums up question] A question to Boris Yeltsin: What is your view of the Czech Republic's effort to join the EC [as heard]?

[Yeltsin] I should think I have already answered your question quite clearly.

[Stahlovsky] I mean NATO.

[Russian translator, in Russian] Parkhomenko, the SEG-ODNYA [TODAY] newspaper. One moment, I would like to give a small explanation; I have to say that the journalist Sergey Parkhomenko is one of the defenders of freedom in Russia. He was among those people who defended the Russian Revolution in August 1991, and recently the president decorated him with the "Defender of Freedom" medal. Sergey Parkhomenko, your question:

[Parkhomenko] [words indistinct]

[Yeltsin] It is a question of integration between states and certain European organizations. We are not able to enumerate them. Each country selects its own.

[Havel] In the treaty, it is stressed that both signatories identify with the values laid down by the Paris Charter for New Europe and by the Helsinki documents; and that they wish to support the Helsinki process. This is the only organization explicitly mentioned in the treaty.

[Moderator] Ladies and gentlemen, both presidents have further engagements ahead of them. Thank you and good bye.

Havel, Yeltsin Visit Memorial

LD2608134693 Prague CTK in English 1149 GMT 26 Aug 93

[Text] Prague, August 26 (CTK)—Shortly after 12:00 PM Czech and Russian Presidents Vaclav Havel and Boris Yeltsin arrived at the memorial plaque to Marie Charouskova, where they laid bouquets of flowers and stood talking quietly for a moment.

Exactly 25 years ago, on August 26, 1968, 26-year-old Marie Charouskova, a student and mother of a two-year-old child, was shot while waiting for a tram. She was one of the first victims of the Soviet-led invasion of Czechoslovakia.

At the close of their walk around Prague together, Havel and Yeltsin also laid wreaths at the memorial to the Soviet soldier Beljakov, who died during the liberation of Prague in May 1945.

The presidents then departed for Prague Castle.

Havel Assesses Visit

LD2608220593 Prague CTK in English 2139 GMT 26 Aug 93

[Text] Prague, August 26 (CTK)—President Vaclav Havel described Russian President Boris Yeltsin's visit to Prague as very important and successful, in an interview with Czech Television and CTK today, and said he expected the Treaty they have signed to be endorsed by the parliaments of both countries.

He declared that the Czech Republic had a fundamental interest in stabilising democracy in Russia. He said that when he invited Yeltsin for a short working visit, he

accepted as an expression of friendship towards our republic and an acknowledgement of the fact that in several difficult moments, like for instance the putsch in August 1991, our position was unambiguous: We stood behind the democratic forces in Russia. We did not equivocate, as some states did.

Havel mentioned that until the Czech-Russian Treaty of Friendship and Cooperation was signed today, the old Communist agreement from the beginning of the 1970s was still valid. It clearly had to be replaced with a new one. He remarked that when Czechoslovakia still existed he signed a treaty with Yeltsin, but it had never been ratified. The 1992 Czechoslovak-Russian treaty had been in fact adapted to make it applicable to the Czech Republic.

The treaty is quite general. There is nothing that would infringe the sovereignty of either partner - it is a treaty between two sovereign states. What mattered now, he said, was how the umbrella Treaty was complemented by further, more specific treaties.

The Treaty, whose preamble contains a critical reference to the August 1968 invasion by Warsaw Pact forces, was symbolically signed on the 25th anniversary of the so-called Moscow Protocols, which called for the temporary deployment of Soviet troops in Czechoslovakia.

Havel said he believed the Treaty would be ratified without a hitch by the Czech Parliament. There might be some difficulties on the Russian side, but he expected reason to triumph.

When asked for his view on Yeltsin's chances of defeating the conservative forces, Havel replied, from our point of view, the point of view of the citizens of Russia and the entire world, what is most important is that democracy in Russia quickly stabilises, a new democratic constitution is adopted and reform proceeds at the pace it did when Gaydar was prime minister.

At the moment it seems that President Yeltsin is the main guarantor of a propitious development. And he is a man who knows how to struggle against great obstacles, the president said.

Havel said he told Yeltsin that the Czech Republic's orientation towards the West and its structures, its desire to join the European Community and possibly also NATO, was to be explained by the feeling it belonged culturally to that world, it shared its values. This implied nothing against Russia, although in Russia such fears were sometimes voiced.

In rediscovering its destiny as part of today's Europe, the Czech Republic hoped to stabilise the situation both at home and beyond its frontiers. Stability was a condition of good relations with Russia as well as the Ukraine and other post-Soviet republics, the president said.

Yeltsin Spokesman on Klaus' Doubts About Treaty

LD2608181193 Prague Radiozurnal Radio Network in Czech 1600 GMT 26 Aug 93

[Report on "Exclusive" interview with Russian presidential spokesman Vyacheslav Kostikov by correspondent David Stahlavsky in Prague on 26 August; Kostikov speaks in Russian with overlaid Czech translation—recorded]

[Excerpts] [Stahlavsky] I first of all asked Vyacheslav Kostikov whether Russia had not been exerting pressure on the Czech Republic to agree with the treaty signing today, when only last Tuesday [24 August], Prime Minister Vaclav Klaus cast the necessity of signing the basic document on relations with the Russian Federation into doubt. Boris Yeltsin's spokesman answered:

[Kostikov] Not at all. Not at all. The process of the preparation of the treaty was bilateral. It was preceded by steps of both sides—both Prague and Moscow. I think that it all went calmly and without any difficulties thanks to two personalities—first, Vaclav Havel, who is an example of enlightened European policy and, second, a role was played also by the image of President Yeltsin, who is a significant source of Russian democracy. I think, simply, that both presidents managed to find a common language. [passage omitted]

[Stahlavsky] I then asked Vyacheslav Kostikov, the Russian Federation president's press spokesman, to comment on the words of Czech Prime Minister Vaclav Klaus who had said [earlier] there were several question marks over the treaty signed today—actually, the prepared treaty at the time of the statement—which could evoke queries by the public. Mr. Kostikov said:

[Kostikov] You know that the European process is a complex matter and economic relations in Europe, after the collapse of the Soviet Union, are full of controversy. It is understandable that there are many problems in these relations. I understand the common denominators in the arguments of the political forces, especially in the context of building a democratic Central Europe which could become the base of world policy. I think that the mutual reservations on economic matters, and partly also in politics, will be overcome.

Baudys Receives Russian Defense Minister Grachev

LD2708080793 Prague CTK in English 1545 GMT 26 Aug 93

[Text] Prague, August 26 (CTK)—At their meeting today, Czech and Russian Defence Ministers Antonin Baudys and Pavel Grachev decided to establish a joint commission of representatives of the two countries' armies to evaluate possible cooperation in the production of spare parts for military equipment, Baudys told journalists today.

Speaking at a press conference, held within the Russian President Boris Yeltsin's short visit to Prague, he stressed that the Czech Army cannot afford to switch to another type of equipment.

At his meeting with Grachev, Baudys expressed his support for the present Russian leadership. The two ministers also discussed structural changes now underway in the Czech and Russian Armies, as well as political aspects linked to the sphere of defence, and broader aspects of pan-European security. We have similar problems, Baudys told CTK.

He said that he considered Russia's both political and economic stability essential for stability throughout Europe. His talks with Grachev were very frank, he noted.

He expects Czech-Russian agreements to be negotiated in the future. However, the negotiations' timing has not been yet specified.

Grachev told CTK he had been satisfied with the meeting. We did agree on future cooperation, he emphasised.

Zieleniec Meets With Russian Foreign Minister

*LD2608232993 Prague CTK in English 1918 GMT
26 Aug 93*

[Text] Prague, August 26 (CTK)—The Czech and Russian Foreign Ministers, Josef Zieleniec and Andrey Kozyrev, met today to discuss Czech efforts for integration to West European structures, the process of the Conference on Security and Cooperation in Europe (CSCE), and a possible cooperation between the two countries in solving ethnic minority problems.

The meeting took place during a short visit by Russian President Boris Yeltsin to Prague this morning.

Speaking to CTK, spokeswoman of the Czech Foreign Ministry Lucie Pilipova pointed to Russia's growing interest in the Central European region.

A face-to-face meeting of the two ministers was followed by a meeting of the two delegations, Pilipova said. She quoted both Zieleniec and Kozyrev as saying that the talks helped improve understanding between the two countries. Russian representatives consider the Czech Republic plays a significant role in the pan-European process.

The Czech diplomats said they believed that Russia could contribute to bilateral relations by clearly stating its attitude towards the Czech Republic's efforts to integrate into the Western European structures, mainly into NATO, Pilipova said.

Zieleniec stressed that even though the Czech Republic considers the integration the priority in foreign policy, it does not mean it is turning its back on Eastern Europe, or Russia.

Pilipova said that the Russian representatives had stated that it was a sovereign right of each state to decide into which structures it would integrate.

Russia showed interest in cooperation with the Czech Republic in curbing the wave of militant nationalism, as well as in the preparation of the Geneva conference on war victims in Yugoslavia. Russia would also welcome Czech support in the development of its relations with the Council of Europe, which should pay greater attention to the solution of ethnic problems, Pilipova quoted Russian diplomats as saying.

Zieleniec said he believed that cooperation between smaller and bigger countries would be advantageous in solving the ethnic problems, as it would eliminate any suspicion that, through settlement of ethnic problems, the great powers are pursuing their own policy, Pilipova informed CTK.

The CSCE should assume a bigger responsibility, according to Russian representatives. The Czech delegation viewed the CSCE positively, although, it expressed fears of the CSCE apparatus losing contact with current problems. Pilipova quoted Czech diplomats as saying that the CSCE should head for concrete goals.

Kocarnik, Russia's Lobov Discuss Debt Repayments

*LD2608180793 Prague CTK in English 1602 GMT
26 Aug 93*

[Text] Prague, August 26 (CTK)—Russia has expressed its willingness to pay off interest on debts to the government of the Czech Republic and certain Czech companies this year, Czech Minister of Finance Ivan Kocarnik said today after talks with First Russian Deputy Premier Oleg Lobov.

The debts were the main topic of talks between Lobov, Kocarnik and Czech Minister of Industry and Trade Vladimir Dlouhy at Prague Castle today. They took place at the same time as discussions between Czech President Vaclav Havel and Russian President Boris Yeltsin, who paid a short working visit to Prague today.

We agreed that expert commissions shall meet in September to put the whole debt agenda into order, Kocarnik said.

The officials also discussed the potential capitalisation of the Russian debt. The Russian side should in September submit a list of companies where it would consider capitalisation possible and a proposal outlining how to carry it out.

The preparation of the agreements on the protection of investment and the prevention of double taxation were also discussed. Kocarnik supposes that in September the agreement on investment might possibly be signed by the premier if he goes to Moscow. Preparations for the agreement on the prevention of double taxation will probably take a bit longer, according to Kocarnik.

Klaus Accuses Insurance Company of Monopolistic Practice

*AU2608154493 Prague CTK in English 2009 GMT
24 Aug 93*

[Text] Prague, August 24 (CTK)—The Czech Insurance Company (Ceska Pojistovna, CP) has abused its dominant position in the insurance market by raising car insurance premiums (starting in August), according to Czech Premier Vaclav Klaus speaking after today's cabinet meeting.

The rise in premiums is as big as almost 1,000 percent in some cases. CP has justified it by growing car prices, imports of expensive foreign cars, and growing numbers of road accidents and car thefts.

The government will, in Klaus' words, tighten supervision over the company. The Czech Ministry of Finance will carry out the inspections. CP inherited a network of branches in many small villages and has a natural monopoly, he said, adding that the state must provide certain regulation over the company.

The ministers were not swayed by the CP claim that it had increased the premiums on the basis of convincing calculations and Klaus pointed out that CP must put its own house in order.

The government intends to supervise CP more closely as it feels that up until now supervision has not been sufficient. It will make efforts to appoint its own representatives to the board of directors and supervisory body. Klaus did not rule out forcing the company to cut premiums.

When asked if the government would take such a step, Klaus replied that it had been discussed but added that the relevant law like all our laws can be interpreted in two ways. He concluded, the possibility of intervening is one thing but whether or not we use it is another matter, Klaus concluded.

Predicts Budget To Balance

*AU2608170193 Prague CTK in English 2103 GMT
24 Aug 93*

[Text] Prague, August 24 (CTK)—This year's state budget should balance. We expect state expenditure to speed up in the course of the last four or five months of the year and eliminate any surplus by the end of the year, Czech Premier Vaclav Klaus said after today's ministerial session.

Local budgets should show moderate surpluses. They will not run their surplus funds down to zero but transfer the money over to the next year, Klaus said.

The ministers also laid down the principles and targets for next year's financial and fiscal policies.

Klaus said ministers expect gross domestic product to grow by 2 to 3 percent next year, while inflation should

fall substantially, approximately to half of this year's level, that is, to about 10 percent.

Foreign currency reserves are expected to increase at approximately the same rate as this year. The deficit in the trade balance is expected to remain, and even the current account is expected to show a deficit, but the capital account will level this off, Klaus said.

Although we are expecting unemployment to grow next year, it should not exceed 5 percent, Klaus said. This is a very low figure compared to most European countries, according to Klaus.

The overall tax quota will be falling but the share of indirect taxes in the tax system will increase. It seems today that we would like to lower the tax burden on entrepreneurs from the current 45 percent probably to 42 or 43 percent, he said.

A certain increase in the highest tax rate on physical persons is also being considered, as well as a number of minor adjustments and an increase in minimum tax brackets, Klaus said.

The government will continue to remove non-investment subsidies to the entrepreneurial sphere and will try to maintain the existing structure of public-sector expenditure. We consider 8 percent to be the target figure for non-investment expenditures. Education should be a given priority position in the state budget. Other matters will be discussed at the next session, Klaus concluded.

Baudys Meets French Defense Minister Leotard

*LD2608154293 Prague CTK in English 1159 GMT
26 Aug 93*

[Text] Prague, August 26 (CTK)—The current situation in the former Yugoslavia and an assessment of security in Europe and the structures which should ensure it were the main topics of today's talks between French and Czech Defence Ministers Francois Leotard and Antonin Baudys.

Leotard, who today ends a two-day official visit to the Czech Republic, stated at a press conference here that he and Baudys had agreed on the necessity of modernising and renewing the agreement on cooperation between the two countries' armed forces which was concluded between France and Czechoslovakia in April 1992. Leotard said he assumed that the new agreement would contain articles on cooperation, such as the exchange of experts and eventually cooperations and the exchange of units during military exercises.

Leotard said that the fact that he is going to Hungary and not Slovakia after leaving the Czech Republic was merely the result of a tight schedule. He said that he plans to visit Bratislava by the end of the year. There is no political symbolism in it, he said.

Baudys stated that the Czech Republic is not considering increasing the number of its soldiers which have been sent to the former Yugoslavia under the auspices of UNPROFOR [UN Protection Force]. At the same time, however, he did not rule out the possibility that this question could come under discussion again if the UNPROFOR forces obtained a mandate to carry out military strikes.

Trade, Industry Minister on Arms Trade

AU2508193793 Prague MLADA FRONTA DNES in Czech 24 Aug 93 p 6

[Article by Trade and Industry Minister Vladimir Dlouhy: "The Arms Trade: Not a Ban, But Supervision"]

[Text] The following sectors come under the jurisdiction of the ministry I head: energy, including nuclear energy; the mining of mineral raw materials, including brown and bituminous coal; domestic and foreign trade; light, medium-sized, and heavy industry; declining and developed industry and the legislation associated with it; the influx of foreign capital; and the drafting of ideas and a number of other things of key importance to the future of the Czech Republic.

Despite this, about half of foreign journalists who come to interview me ask about one thing: arms production and exports. Their questions are repetitive, because they derive from some of the myths spread about us:

- we are traditional arms producers and, under the communists, we exported them according to ideological doctrine, and therefore to countries that support terrorism;
- after 1989 we, through President Havel (first and foremost) and the Federal Government (also), declared that we would not produce arms (and, consequently, not export them);
- a situation, euphemistically called "chaos," prevailed in the former CSFR throughout the arms trade supervisory system and, as a result of this, we merrily continued to export arms. This situation still prevails;
- in the Czech Republic there are now people in the government who want to legalize arms production and arms sales en masse regardless of the exceedingly praiseworthy and humane pressure from respectable governments throughout the democratic world, governments that would not hurt a fly—this is traditionally typical of them, just as churning out arms is typical of us.

The great majority of these myths are untruths or half-truths.

No one is denying that the communist regimes' arms trade policy was reprehensible. After 1989, however, no one forcibly suspended arms production, and this even applies to the tank production decision made by the

Federal Government Presidium in March 1990. Naturally, we all knew that a change had to be made regarding the supervision of exports and that it was essential—in this regard—to enhance our country's image. However, if any statements were made about the complete suspension of all arms production (and I do not recall any made in such forcible terms), they were not based on anything other than "sanctimonious revolutionary fervor."

The truth is that the system for licensing and supervising arms exports in the former CSFR and in the current Czech Republic worked and continues to work; it conforms to international standards and customs. Its quality, as in other countries, depends mainly on the people who work within the system. Our licensing system is not corrupt, as sometimes suggested by foreign journalists in such a way as to make it possible to accuse anyone of anything. No member of this government wants to allow Czech arms to be exported anywhere just to maintain production and jobs here. We respect and actively support the truly sincere effort by democratic countries to introduce direct control over the arms trade and to restrict sales to those countries regarded by the international community as supporters of terrorism. We consider it hypocritical, however, if this effort exhibits protectionist traits when coming from representatives of countries who have themselves exported arms on a much grander scale than we have in the last two decades, and who today have problems with their own producers. This is to say nothing of the fact that the effort to restrict our exports sometimes results in our exporter being forced out of the blacklisted territory by a producer from another democratic country.

Today we have the principles of a law approved by the government that specifies much more stringently than anything so far, who may trade in arms, how, and with whom. However, individual producers and not the state will still be able to manufacture arms, and it will be up to them to decide whether they are capable of producing them with a large enough investment that their product (weapons systems) can compete on the world market. The role of the state, which we are in no way disclaiming, is—and will be—to restrict exports to undesirable countries.

There are now many more people interested in the arms trade than previously, and it is impossible to prevent fraud attempts. Our system and the people working in it have, however, already proven their ability to uncover various schemes (most recently in the so-called "Panama" case).

In conclusion, just let me mention the ruthless prohibition that in the United States led to a flourishing and illegal trade involving alcohol. I am worried that similar severe measures could have similar severe consequences as far as the arms trade is concerned.

Coalition Parties Reject Communist Party Ban
*AU2508135993 Prague CTK in English 2031 GMT
23 Aug 93*

[Text] Prague August 23 (CTK)—Two government coalition parties, the ODS [Civic Democratic Party] and the ODA [Civic Democratic Alliance], do not support the demand to ban the Communist Party, the KDU-CSL [Christian Democratic Union-Czechoslovak People's Party] believes that the party itself will end up on the periphery of political life anyhow and the KDS [Christian Democratic Party] considers it premature to give any stand on the question.

The four government parties, the Civic Democratic Party, the Civic Democratic Alliance, the Christian Democratic Union-Czechoslovak People's Party and the Christian Democratic Party responded to a proposal made by the extra-parliamentary Club of Committed Non-Party Members (KAN) made on Saturday [21 August].

The proposal was announced by KAN's Spokesman Petr Hubacek at a rally held in Prague to mark the 25th anniversary of the invasion of Czechoslovakia by troops from five countries of the now-defunct Warsaw Pact.

KAN was founded in April 1968 by Ivan Svitak and had allegedly 300,000 members. As the Soviet-led invasion crushed the communist-led reform movement in August 1968, KAN's activity was terminated in September.

The club resumed its activities in 1990, following the fall of the communist regime in late 1989. Last March, after it ended its activity in the Slovak Republic, KAN had about 7,000 members.

Hubacek explained the proposal to outlaw the Communist Party of Bohemia and Moravia (KSCM) by pragmatic reasons. Together with other left-orientated parties, the KSCM deputies have the opportunity to influence quite markedly the course of transformation of the political system and the road towards democracy, he warned.

The KSCM is part of the election coalition Left Bloc which is the second strongest in the parliament having 35 seats out of a total of 200.

Jiri Machac, KAN deputy chairman, today told CTK that KAN had already reached agreement with a parliamentary group, which he refused to specify, under which the group would submit to the parliament the demand to outlaw the KSCM as a successor organisation to the Communist Party of Czechoslovakia [KSC].

Under the law declaring the illegitimacy of the former communist regime and defining the status of opposition against it (passed on July 9—Ed.), the existence of the KSCM should not be tolerated, Machac said.

Miloslav Ransdorf, KSCM deputy chairman, today said that it is natural in parliamentary democracies that the

voice of the voter is sovereign, and the election grouping, part of which the communists were, was supported by almost one million people.

Jiri Ortman, chairman of the Left Bloc (LB, consisting of the KSCM and the Democratic Left Party) parliamentary group, a member of the KSCM Central Committee and of the Preparatory Committee of a new Left Bloc political party, said that outlawing the KSCM would contradict the Charter of Human Rights and Freedoms (adopted by Czechoslovakia in 1991).

He added that this would be a repeated attempt to outlaw the party.

In debate on the anticommunist law, ODA Deputy Cestmir Hofhanzl proposed that a clause be included in the law saying that the Communist Party ceases to exist on the day when the law takes effect.

In a statement sent to CTK today, ODS Spokeswoman Jana Petrova said that the ODS was not considering the outlawing of the KSCM and was not supporting any effort at it.

The disrupted economy, morals and an indebted state, left over by the KSC, will not be remedied by a ban imposed on the party. The only solution is a global change of the system of functioning of the society and state which has been pursued by the ODS and of which the party is a guarantee, the statement says.

ODA Chairman Jan Kalvoda told CTK today that he did not consider it suitable to drive opponents out from the battle field.

He believes it correct for the state to monitor the programmes and activities of political parties and to act at the moment when a party's programme or activity threatens the democratic bases of society as they are defined in the Constitution.

KDU-CSL Chairman Josef Lux regretted that the KSCM had not been outlawed right after the communist regime's fall in late 1989.

We do not consider the existence of the Communist Party as such a problem, but we consider it important to denounce the communist ideology and to punish the crimes which had been committed in its name, he told CTK today.

In a normal democratic society, the communists and their party will end up sooner or later on the periphery of the political spectrum, Lux said.

KDS Chairman Vaclav Benda told CTK today that he considered it premature to give any stand on the question now.

CSSD: Left Bloc To Help Crumbling Communists
*AU2608172493 Prague CTK in English 1146 GMT
 24 Aug 93*

[Text] Prague, August 24 (CTK)—Registering the Left Bloc as a party is a desperate attempt by Jaroslav Ortman to keep the communist electorate together, to protect its percentage of seats and thus its mandate, Czech Social Democrat (CSSD) Deputy Vaclav Grulich told a press conference today.

The Left Bloc was registered as a party yesterday. It carries the same name as the election coalition which ran in the June 1992 parliamentary elections, comprising the KSCM [Communist Party of Bohemia and Moravia] and the Democratic Left Movement (which has since formed another party). Ortman is chairman of the Left Bloc parliamentary group and has stated that the aim of the new party is to integrate left-wing forces after the split of the Communist Party of Bohemia and Moravia in June.

Deputy chairman of the CSSD Pavel Novak said that the Left Bloc Party's option of double membership was at odds with the proposed law on political parties. This further attempt at creating some sort of roof over the crumbling communist group is another unsuccessful attempt at keeping together a structure which today has no fundamental ideological support, Novak said.

Communist ideology had fallen apart, he said, and had shown clearly that it was incapable of being reformed. This had led to the breakup of the KSCM itself, and the creation of the Left Bloc was a step into the abyss, he added.

Minister Announces Need To Import Wheat

*LD2708094893 Prague Radiozurnal Radio Network in
 Czech 0700 GMT 27 Aug 93*

[Text] Since the buying of grain from domestic producers has not been successful, the Fund for Market Regulation [Fond trzni regulace] has decided to import wheat for food consumption. This was stated by Josef Lux, agriculture minister and a deputy prime minister. Lux said a tender would go out for imported wheat and the Fund for Market Regulation would apply to the Ministry of Finance to give an import duty relief. The Administration of Material Reserves [Sprava hmotnych rezerv] will be asked to consider the option of duty-free wheat imports.

Central Bank Issues Data on Foreign Investment

*AU2408131093 Prague HOSPODARSKE NOVINY in
 Czech 20 Aug 93 p 3*

[Article by Hana Piskova, Czech National Bank: "Slight Decline in Direct Foreign Investment in the Czech Republic in the First Half of the Year"]

[Text] The influx of foreign capital in the form of direct foreign investment amounted to 11.3 billion Czech korunas [Kc], that is, \$392 million, in the first half of 1993. This amount represents a full 20 percent of the total foreign capital volume invested in the Czech Republic by 30 June 1993.

The biggest item among foreign capital inflows in the first half of 1993 were Philip Morris payments for the Tabak Kutna Hora company. This investment, which amounted to Kc5.7 billion, is included in the category of consumer goods industry (previously reported as "other production"). Owing to this investment, the consumer goods industry accounted for 55.3 percent of the aggregate influx of direct foreign investment in the first half of 1993. Investments in this branch are followed by investments in the construction sector (11.1 percent), retailing and services (7.2 percent), and engineering (7.1 percent), which experienced a major increase, particularly in the second quarter of the year.

**Structure of Direct Foreign Investment According to
 Branch in First Half 1993**

Consumer goods and tobacco	55.3 percent
Construction	11.1 percent
Retailing and services	7.2 percent
Food industry	5.4 percent
Vehicles	4.5 percent
Other	16.5 percent

**Structure of Direct Foreign Investment According to
 Branch Total (as of 30 June 1993)**

Consumer goods and tobacco	26.9 percent
Vehicles	22.0 percent
Construction	12.9 percent
Food	10.0 percent
Banking	9.1 percent
Other	19.1 percent

Compared with the same period in 1992, when the influx of foreign capital to the Czech Republic amounted to Kc11.7 billion, that is, \$405 million (and when the bulk of it was invested in the food industry, construction, and banking), the first half of 1993 saw a slight decline, the causes of which dwell in the complex economic conditions abroad (worldwide economic recession) and other factors, which include the slower pace of registering real estate according to concluded contracts of purchase.

In terms of territorial structure, the dominant role was played by investments from the United States (58.6 percent), the FRG (9.2 percent), and France (6.2 percent). The Netherlands, whose volume of investments increased in the first half of the year, took fourth place, followed by Austria, which has also intensified its investment activity.

Territorial Structure of Direct Investment in First Half 1993

United States	58.6 percent
FRG	9.2 percent
France	6.2 percent
Netherlands	5.8 percent
Austria	4.7 percent
Other	15.1 percent

The total volume of foreign capital invested in the Czech Republic reached Kc56.3 billion, that is, \$1.898 billion, by 30 June 1993.

Volume of Foreign Capital Invested in Individual Branches as of 30 June 1993 (in Kc billion/\$ million)

Consumer goods industry (including tobacco)	15.1/510
Automobile industry and other vehicles	12.4/418
Construction	7.3/245
Food industry	5.6/189
Other branches (banking, chemical industry, retailing, services, etc.)	15.9/536
Total	56.3/1,898

The main investors have been firms from the FRG (\$603 million, which is almost one-third of all capital invested in the Czech Republic thus far), followed by the United States (\$551 million), and France (\$254 million). Belgium has kept its traditional fourth place and Austria, which has overtaken investors from Italy and Switzerland, as a consequence of its activities in the first half of the year, now holds fifth place.

Territorial Structure of Direct Foreign Investment Total (as of 30 June 1993)

FRG	31.8 percent
United States	29.0 percent
France	13.3 percent
Belgium	6.9 percent
Austria	4.8 percent
Other	14.2 percent

It can be said, generally, that the process of investment in the form of direct foreign investment in the Czech Republic is distinguished predominantly by positive features. The majority of joint ventures are successful, show good results, and instances of breakup of joint ventures are rare. Some companies have started to invest or are planning investments in the immediate future. Projects for new joint ventures are in the works, some of which could reach a significant volume [of investment by the foreign partner] (for example, those involving Skoda Plzen, CKD Prague, or Karosa Vysoke Myto).

Even though all available information indicates lasting interest by foreign investors in engaging in business in the Czech Republic, the fact cannot be ignored that some foreign firms have delayed the implementation of their investment plans. The process of investment in the Czech Republic is likely to accelerate within the framework of the second wave of coupon privatization. The generally acknowledged, and frequently emphasized, advantageous prerequisites for investment in the Czech Republic, such as the skills and professional expertise of the labor force, should become a stronger and lasting stimulus for foreign investors.

Even though the contribution of low-volume investments should not be underrated, it is apparent that—given the present stage of scientific and technical development and automation of production—structural changes, particularly in industry, cannot be implemented without the requisite influx of financial resources. Therefore, it would be desirable if foreign capital centered on high-volume investments, such as those realized by Volkswagen and Philip Morris in the previous period.

Official Outlines Territorial Arrangement Scheme
AU2508140193 Prague CTK in English 2018 GMT
23 Aug 93

[Text] Prague August 23 (CTK)—The decentralisation of territorial administration institutions is furthered in a basic principles bill drafted by the Office for Legislation and Public Administration (ULVS), Deputy Premier Jan Kalvoda said today.

Kalvoda, who is also head of the ULVS, said that the draft was not the result of a political compromise and does not lack rational value.

The Office expects a four-tier territorial administration scheme, with municipalities, districts, regions, and the national administration, to be in place for local elections scheduled for 1994, Kalvoda's deputy, Pavel Zarecky, explained. The ULVS has suggested 13 regions, and notes that they do not correspond to the traditional boundaries in the Moravian regions. Zarecky said that Prague would be part of a region about the size of the current region of Central Bohemia.

He pointed out that reform of the system is closely connected with the coming local elections, but will continue with further changes even after them. The long-term goal is the elimination of today's districts.

Regional institutions would have the right to draft and approve their own budgets, maintain their own assets and financial sources, provide municipal subsidies and loans, set up corporations and institutions and would even have legislative abilities. Zarecky believes they would even have a say in tax rates, within limits set by the law.

Kalvoda is concerned that the state administration-self government relationship could become politicised, said his deputy, adding that providing institutions to make more effective national administration possible was far more important.

Reform should ensure a consistent separation of national administration from self-government at the local and regional level, and a clear division of powers, continued Zarecky. The ministries, then, would concentrate on

conceptual activities, he added, while specific, routine activities would be handled by the municipal and regional governments.

Zarecky refused to comment on reports in the media of a continuing growth of the number of civil servants. He indicated that the number of clerks in the Czech administration was 5,973 in 1990, dropping to 5,105 in 1991, then increasing to 6,183 in 1992 and 8,089 this year. He attributed the 1993 increase to the transfer of jurisdiction from the Federation to the republic (following Czechoslovakia's division January 1, 1993).

Kovac, Yeltsin News Conference in Prague

LD2608204593 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1630 GMT 26 Aug 93

[Report on signing of Slovak-Russian Friendship Treaty including recorded excerpt of news conference by Slovak President Michal Kovac and Russian President Boris Yeltsin with unidentified international journalists at the Bratislava Castle on 26 August—Yeltsin remarks in Russian]

[Excerpts] Russian President Boris Yeltsin is currently undertaking a tour of Central and Eastern European countries. After visiting Poland yesterday, he spent several hours in Prague this morning. His next stop in the afternoon was Bratislava. After the official welcome at the airport by Slovak President Michal Kovac, the delegation left for the Castle where our reporters Miloslav Polacek and Magda Pospisilova represented Radiozurnal.

[Pospisilova] Talks between both presidents began in the Yellow Room of the Castle immediately after their arrival. The talks were also attended by the ambassadors of both countries, Sergey Yastrzhembskiy and Roman Poldan. At the same time, Oleg Lobov, Russian deputy prime minister and economy minister, met Slovak Deputy Prime Minister Roman Kovac, Russian Defense Minister Pavel Grachev met Slovak Defense Minister Imrich Andrejak, and Russian Foreign Minister Andrey Kozyrev met Slovak Foreign Minister Jozef Moravcik.

The talks between Boris Yeltsin and Michal Kovac lasted approximately half an hour. Both heads of state stressed that relations need to be built as relations between two independent, sovereign, and equal states. Boris Yeltsin remarked that although Slovakia is a small country while Russia is a big one, they have the same problems because neither existed two years ago. The conversation also touched on the repayment of debts owed Slovakia by Russia. They amount to approximately \$2 billion. One of the possibilities for settling them is to build a branch of the gas pipeline via Belarus and Poland in such a way so that one of its branches goes through Slovakia. Russia could repay a part of the above-mentioned debt through investment in the construction of the gas pipeline and another part by direct deliveries of gas. Both presidents agreed, among other things, that it was necessary to support the promotion of direct contacts in particular, rather than contacts using state bodies. President Yeltsin hopes though, that Slovakia and Russia will also cooperate in the foreign political area. Such cooperation should of course not be regarded as Russian pressure on Slovakia, as the times are over when the Soviet Union could indulge in such an attitude toward the old East European countries. Regarding cooperation in the diplomatic sphere, Russia sees it as a clean slate that is beginning to be filled by the signing of the treaty today. [passage omitted]

[Begin recording] [Polacek] Let us briefly characterize the much debated treaty preamble, in which the year

1968 is mentioned. Both sides condemn the anti-human basis of a totalitarian regime and wish to put an end to it forever. Specifically, they want to put an end to the totalitarian past which, in 1968 and the following period, turned into the lawless and unjustifiable deployment of Soviet troops on Czechoslovak territory. The consequences of this were dealt with in the agreement of 1 April 1992.

Another debated point was Article 4. This article was dropped. Military cooperation is being dealt with in Article 7, which says that the two countries will develop mutually advantageous contacts in the military sphere.

The treaty also deals with the whole scope of interstate relations. Both sides pledge to build a common European space and assist in setting up European structures.

The treaty is valid for 10 years, after which it will be renewed every five years.

The news conference is just beginning.

[Correspondent] I would like to ask you what the significance of Russia's present foreign policy for establishing equal relations with the countries of Central and Eastern Europe is?

[Yeltsin] The time when the former Soviet Union distinguished countries by their population, category, and so on and so forth is now in the past. The new sovereign state of Slovakia has now been formed by the will of the Slovak people. There is also a new Russia. We build our relations—and this is what the treaty that we have just signed with the president says—as equals, on the basis of the equality of rights, mutual benefit, and respect for each other.

[Correspondent] You understand very well that new things do not come easy. Could you tell us what sort of difficulties Russia is now experiencing as far as these countries are concerned?

[Yeltsin] You know, regarding the Czech Republic and Slovakia, the main difficulty here is that we do not have an agreed legal basis with these new sovereign states. We are starting from scratch. We have only signed the first document, but we need to sign about 50, 60, 70, or even more. This is the main difficulty. The second difficulty, of course, lies in the working out of a mechanism to monitor the implementation of these understandings, treaties, and agreements.

[Correspondent] How do the two sides interpret what is contained in Article 8 of the Slovak-Russian agreement, namely that both sides will foster a mutually beneficial military cooperation? What specifically will it mean?

[Kovac] As for Article 8, it should mean one thing: Cooperation between the Slovak Republic and Russia will occur not just in economy, culture, and science and technology but also in the military sphere.

A similar kind of cooperation based on specific agreements exists between the Slovak Republic and other countries, including West European ones. It shows that the military partition of the world has gone and that it is necessary, in the interests of security, to promote quite openly cooperation between armies and defense ministries.

[Correspondent] Unfortunately, in both of our countries, we have people opposing cooperation between our countries, Russia and Slovakia.

[Yeltsin] Opposition exists in all civilized countries. In my opinion, opposition needs to exist to get the blood of the state flowing.

[Kovac] As for Slovakia, you may have noticed that a few days ago there was a debate in the press on some of the articles of the signed treaty. I am sure that you have noted that prior to the signing of this treaty an agreement was reached to drop the controversial Article 4 and to word the preamble in its part concerning the year 1968 in a way acceptable to both sides. Hence, I do not assume that there is opposition to this treaty in the assembly. [end recording]

[Pospisilova] That was the edited version of the news conference given by Presidents Boris Yeltsin and Michal Kovac at Bratislava Castle. I would like to add that the Slovak and Russian defense ministers, Imrich Andrejcek and Pavel Grachev respectively, signed an agreement on military cooperation between the Defense Ministries of Slovakia and Russia.

Moravcik Meets With Russian Foreign Minister

*LD2608221493 Prague CTK in English 2153 GMT
26 Aug 93*

[Text] Bratislava, August 26 (CTK)—At their meeting today during the short visit by the Russian delegation, headed by President Boris Yeltsin in Bratislava, Slovak and Russian Foreign Ministers Jozef Moravcik and Andrey Kozyrev discussed the quality and extension of the two countries' bilateral relations.

They also focused on the questions of European security and some problems yet to be settled, Moravcik told journalists.

He quoted Kozyrev as stressing the role of the Conference of Security and Cooperation in Europe (CSCE) in solving current European problems, as well as on the possibilities of the CSCE's further development.

Slovakia is rather sceptical about this issue, mainly about the CSCE being a guarantor of European security, Moravcik noted. He said that he and Kozyrev had agreed that both the CSCE structure and powers must be adapted to help settle current conflicts on the European continent.

Asked by CTK, Moravcik said that he also had discussed with Moravcik [as received] the Ukraine's current problems. Both Slovakia and Russia want the critical situation in Ukraine to stabilise and the transformation process to go on there.

Andrejcek, Russian Minister Sign Agreement

*LD2708082093 Prague CTK in English 2156 GMT
26 Aug 93*

[Text] Bratislava, August 26 (CTK)—The agreement on military cooperation signed today by the Slovak and Russian defence ministers, Imrich Andrejcek and Pavel Grachev, is the principle means of acquiring spare parts for Russian-made military technology, according to a Slovak Defence Ministry spokesman.

Our army possesses technology, inherited from the former Czechoslovak Army, which was, understandably, geared to the Soviet design. That means we have a lot of out-dated technology. We don't and won't have money for repairs. We will not even be able to buy modern weapons until the year 2000. Therefore we have to turn to the East where most of the equipment came from, the spokesman, Anton Fillo, told CTK.

He pointed out that the agreement did not specify any deliveries or dates, but did allow for the use of Russian equipment and training in its operation and possibly also the use of Russian military training areas.

These possibilities would now be investigated by specialists from both sides. Nothing was yet definitive, although there was no question of joint Slovak-Russian military exercises.

The agreement, the spokesman concluded, was no different to those Slovakia had been signing with its neighbours recently.

Russian Envoy Comments

*LD2608221593 Prague CTK in English 2150 GMT
26 Aug 93*

[Text] Bratislava, August 26 (CTK)—Observers find the signing of an agreement between Russian and Slovak defence ministries the biggest surprise of the short visit today of the Russian delegation led by President Boris Yeltsin to Slovakia.

The agreement was signed between the two countries' ministers Pavel Grachev and Imrich Andrejcek in the presence of the two presidents.

Some Slovak and Russian sources consider the document a formal and usual act of protocol between the two defence ministries, mainly providing for exchange of military delegations and military-exercise observers, and for the organisation of study stays for young officers at partner military universities.

These views were indirectly denied by Yeltsin himself, when he told journalists that the agreement was of a

technological character. He said that Russia wants to help the young Slovak state to build its army.

The Russian ambassador to Slovakia, Sergey Yastrzhembskiy told CTK that the agreement was a usual one and that it was concluded for a five-year period. He pointed out that the agreement did not count on any Russian-Slovak joint manoeuvres. However, he underlined Russia's interest in cooperation with Slovakia's arms-manufacturers. Our military systems are identical and therefore we can cooperate, said Yastrzhembskiy. The new Slovak Army needs help in the first phase of its changing into a national army, he added.

Sources close to the Russian delegation confirmed that the discussion included direct supplies of Russian military equipment to Slovakia. Bratislava was said to be insisting on Russia's paying off its debts to Slovakia in the form of supplies of modern military equipment. The same solution was applied regarding Russian debt to Hungary.

The source who wanted to remain unnamed, mentioned Slovakia's interest in purchasing five modern MiG-29 fighters-bombers worth \$176 million in total. However, the source did not know whether or not this transaction or intention is embedded in the agreement signed today.

Domestic observers think that the military agreement might raise the indignation of the Slovak political opposition. Of course, the opposition's indignation would depend on the real contents of the agreement, which are unknown so far. However, the opposition could be upset alone by the fact that it had not been informed in advance of the planned conclusion of the document.

Union Leader Compares Economy to 'Titanic'

AU2508141093 Bratislava NARODNA OBRODA in Slovak 24 Aug 93 p 2

[TA SR report: "The Titanic Approaching an Iceberg?"]

[Text] Bratislava—In a letter to the National Council of the Slovak Republic deputies, Alojz Englis, president of the Confederation of the Trade Unions of the Slovak Republic [KOZ SR] expresses the anxiety of the KOZ SR over the continuing deterioration of the economic and social situation of the Slovak population.

He regrets that the Slovak Government underestimates the opportunities offered by a dignified partnership of representatives of employees and employers. Thereby, it deprives itself of a source of suggestions and arguments for solving topical problems as well as of the support of the public, a substantial part of which is represented by the KOZ SR.

"Having assessed the state and the development of the economy of the Slovak Republic, and the living standard of the citizens, the KOZ SR concludes that we are in the situation of the Titanic just before it hit the iceberg. In order to avoid a definitive wreck, it is necessary to take all lifesaving measures. We must not be mollified by promises that the ship is superior and safe. We must not disregard the danger, ignore expert advice and helping hands proffered, disregard the rules of the game, or divert the public's attention from the actual problems," says the letter from Alojz Englis to the National Council of the Slovak Republic deputies.

SDL Criticizes Management of Education System

AU2608172293 Prague CTK in English 1459 GMT
24 Aug 93

[Text] Bratislava, August 24 (CTK)—It is not by accident, but a purpose of the Movement for a Democratic Slovakia (HZDS), that a second school year in line is beginning while the post of Slovak education minister is vacant, Milan Ftacnik, deputy chairman of the Democratic Left Party (SDL), said today.

Speaking at a press conference, Ftacnik said that it was impossible to accept the HZDS' placatory words that the figure of the minister was quite unimportant, and that an able state secretary was sufficient for the area. Moreover, the way in which the state secretary Jozef Tarcak is carrying out the reorganization of the Slovak Education Ministry, is similar to purges, Ftacnik added. He said that Tarcak, after abolishing previous ministerial sections and departments, removed and fired their heads, saying that they should not work at the ministry more than ten years.

Ftacnik also criticized a regulation issued by the government, under which the pupils, attending the second grade of elementary schools (aged over 11), and students of secondary schools and Universities, will have to buy textbooks. It contravenes provision 42 of the Slovak Constitution, which unambiguously grants the right to free-of-charge education at basic and secondary schools, Ftacnik emphasized, adding that the SDL would ask the Slovak constitutional court to re-evaluate this governmental regulation.

From June to September 1992, the Slovak Education Ministry was administered by the then (and present) Culture Minister Dusan Slobodnik (HZDS). On September 16, 1992, Matus Kucera from the HZDS was appointed to the post. After his resignation on June 18, 1993 (linked to the coalition talks between the HZDS and the Slovak National Party, SNS, then underway), Slovak Deputy Premier Roman Kovac (HZDS) was put in charge of the ministry.

New Administrative Setup To Be Adopted in Sep
AU2608135593 Bratislava NARODNA OBRODA in
Slovak 25 Aug 93 pp 1, 2

[Report by Marcela Kostalova: "How Will the President Decide?; The Slovak Government Held Its 63d Meeting"]

[Excerpt] [Passage omitted] After yesterday's government meeting, Deputy Prime Minister Roman Kovac reported on planned changes in the bodies of state administration and on the expected course of the entire process. The government would like to approve the draft of administrative and territorial arrangement (after picking one of several alternatives) still in September and submit it immediately to parliament. The horizontal

integration will be at the level of wards [obvody] (of which there will be 121) and present districts. Even though the number of second-tier bodies [druhostup-nove organy] will not be reduced, large financial savings will be made. Labor offices will be excluded from the horizontal integration and will be given the status of public service institutions as of 1 January 1994, which is in conformity with the conditions of the International Labor Office. The government turned down the bill on the Slovak Republic's Fund of Economic Development because it relied on crucial participation by the state. The government returned for redrafting the bill on the jurisdiction of Slovak Republic bodies in matters of consumer protection. It did not approve the proposal by a group of deputies on the principles of a "Law on Anti-Communist Resistance." [passage omitted]

Fur Meets With French Defense Minister Leotard
*LD2708101293 Budapest MTI in English 0954 GMT
27 Aug 93*

[Text] Budapest, August 27 (MTI)—France believes Hungary's NATO membership is possible only after its admission to the European Community, Hungarian Defence Minister Lajos Fur told MTI after meeting with his French counterpart Francois Leotard at the Defence Ministry on Friday morning. Leotard arrived in Budapest on an official visit on Thursday evening.

Fur noted the French view that an early settlement of Europe's minority problems could bring greater security for countries in eastern and central Europe. Leotard showed keen interest in the situation of Hungarian minorities abroad and said Hungary had played a key role in the region's security. He said France continued to rely on the exemplary positions Hungary had taken in critical times.

Fur informed Leotard on the bilateral military agreements Hungary has signed with several neighbours. A similar accord would soon be signed with Slovakia, but due to the South Slav crisis, no such accord could be made with Serbia and Croatia, Fur said.

MSZP Chairman Visits Vojvodina Hungarians
*AU2608141693 Budapest MTI in English 1608 GMT
25 Aug 93*

[Text] Belgrade, 25 August (MTI)—Chairman of the opposition Hungarian Socialist Party (MSZP), Gyula Horn, paid a one-day visit to Vojvodina on Tuesday [24 August].

Attending programs organized by the Democratic Community of Hungarians in Vojvodina, Horn ensured his support for the organization's policies and its steps taken in the interest of the survival of Hungarians in Vojvodina.

Horn rejected the rapprochement efforts of the Serbian Socialist Party, and said the party was socialist in name only, as it has sanctified conquests.

The MSZP chairman said there is agreement between the Hungarian parliamentary parties regarding foreign policy, and this is particularly true for issues related to the future of Hungarians living beyond Hungary's borders.

Minister Advocates Agricultural Cooperation
*LD2508203693 Budapest MTI in English 1748 GMT
25 Aug 93*

[Text] Budapest, August 25 (MTI)—The central and eastern European countries are only now beginning to wake up after several decades of oppression. Their identical fate raises many similar problems in agriculture as well, which is why jointly seeking a solution seems to be the most expedient, Hungarian Minister of Agriculture Janos Szabo said on Wednesday. Szabo was speaking at a press conference held in Godollo, near

Budapest, at the end of a FAO [UN Food and Agriculture Organization]-organized conference for agricultural ministers and high-ranking agricultural experts from 16 countries.

Szabo said agriculture in these countries has lost its earlier preferential position, profitability has declined, losses have increased, and production has declined by an average 25-30 per cent. The present issue is the direction in which development should begin.

State Secretary of the Hungarian Ministry of Agriculture Gyorgy Rasko, discussing the open roads to progress, said a key issue is whether the central and eastern European agrarian branches should become competitive through large-scale state subsidies, in a similar fashion to western countries, or take another route. Almost all countries see the solution in the creation of an economic environment that can attain favourable export positions with the application of cost-saving production technology, rather than through an increase in central subsidies.

Foreign Capital Investment Figures Reported
*LD2708095293 Budapest MTI in English 0727 GMT
27 Aug 93*

[Text] Budapest, August 27 (MTI)—Foreign capital worth USD 5.3 billion was invested in Hungary up to May this year. Contrary to rumours, the country remains an attractive destination for foreign investors, holding the region's lead in the field, chief government counsellor Bertalan Diczhazi told MTI.

Most foreign investments—65-67 per cent—are in the manufacturing industry.

Diczhazi expects foreign investments in the second half of the year will be mainly linked to privatization of the hotel industry, the food industry and machine engineering.

The United States accounts for 28-30 per cent of all foreign investments, Germany takes 19-20 per cent, Austria 13-14 per cent, and France and Italy seven per cent each. Other major investors are Japan, the Netherlands, Sweden, Belgium and Britain.

According to statistics, Hungary has received 55 per cent of foreign capital destined for Central and Eastern Europe.

Discussion Group Focuses on Future of Nation
*AU2508132293 Budapest MTI in English 1759 GMT
24 Aug 93*

[Text] Budapest, 24 Aug (MTI)—Almost 1,000 participants in the week-long discussion camp in Balatonszarzo, by Lake Balaton, are focusing on the present and

future of the Hungarian nation, in sessions on Tuesday and Wednesday [24 and 25 August].

Reformed Bishop of Oradea Laszlo Tokes mainly called attention to the falling Hungarian population, and noted many people do not sufficiently sense the vital role played by minority Hungarians living beyond Hungary's borders in the life of the nation.

Minister of International Economic Relations Bela Kadar said the shrinking economy brings indifference and apathy, and a people weakened economically also

weaken in sovereignty. Minister of Defence Lajos Fur, quoting recent figures on population decline, noted that 1992 was a record year as regards the low number of births, and the country's population today is only 10,310,000, which could fall to 9,400,000 by 2020.

Imre Pozsgay, National Democratic Federation co-chairman, criticized liberals and said Hungary is today marked by a loss of confidence, not the unity needed for national recovery. Pozsgay put this down to "exclusionism" in recent years. He proposed a joint national programme with liberal-thinking people.

Onyszkiewicz: SLD Victory Could Block NATO Membership

*AU2708085393 Warsaw PAP in English 1237 GMT
26 Aug 93*

[Text] Warsaw, Aug. 26—A potential victory of the post-communist Democratic Left Alliance (SLD) in the forthcoming parliamentary elections may delay the process of Poland's joining NATO, Defence Minister Janusz Onyszkiewicz told a press conference today organised to present the stand of the Democratic Union (UD) on defence policy.

According to Onyszkiewicz, the SLD has not defined its attitude towards Poland's possible membership of NATO. Onyszkiewicz also thinks that should the SLD win the elections, the West would doubt if NATO membership would be really a purpose of the SLD government.

Referring to the statement of the Russian president that Poland's membership of NATO would not be contradictory to Russian interests, Onyszkiewicz stressed he now expects that Brussels will officially declare that Poland will be a NATO member without giving a definite date. Yeltsin's statement refutes an argument of NATO representatives that Poland in NATO may arouse a negative reaction of Russia.

At the same press conference, Onyszkiewicz and his deputy Bronislaw Komorowski presented the UD electoral programme on defence, declaring that the UD wanted to make the army answerable to the prime minister and parliament, and not to the president as the situation stands at present.

Onyszkiewicz did say however that even under the presidential system, the president commands the army via the defence ministry.

In addition the UD wanted to stop the cuts in the defence budget, ensure that Poland joined NATO, and increase the percentage of professional soldiers to 50-60 percent.

Onyszkiewicz said that "the fundamental matter is that the army should not be tied to any political orientation."

He thought that entry into NATO could be achieved gradually by ensuring that Poland's armed forces met NATO requirements.

Onyszkiewicz explained that the army could be only 50-60 percent professional, since Poland could not afford a higher proportion. In any case the only country in Europe that had a fully professional army was Britain, he pointed out. The UD also wanted to reduce the basic term of military service from 18 months to one year.

Both Onyszkiewicz and Komorowski opposed their own party's proposals concerning substitute military service which they thought should not be allowed "on demand".

Onyszkiewicz said he had not yet received a report on the illegal carrying out of an election campaign in the

army. He maintained that the number of cases was very few and that therefore it was not necessary that anybody should be demoted or thrown out of the service.

Both Onyszkiewicz and Komorowski are standing as parliamentary candidates for the UD in September. Onyszkiewicz has asked the prime minister for a holiday for the duration of the campaign.

Says Membership 'Inevitable'

*LD2608130193 Warsaw Radio Warszawa Network in
Polish 1005 GMT 26 Aug 93*

[Text] I hope that at the December NATO summit the agenda will contain the case for our application to the Atlantic Treaty, National Defense Minister Janusz Onyszkiewicz told our reporter. He added that this, however, did not mean that our case would be settled there and then. Janusz Onyszkiewicz, head of the Defense Ministry, speaks about the new situation that has arisen after yesterday's declaration by Russian President Boris Yeltsin.

[Begin recording] [Onyszkiewicz] Speaking about the fact that it would only be natural for Poland to join the NATO, we always encountered the following argument: what Russia has to say about this. Would such a step be understood by Russia as one that would create some danger for Russia? Would this be treated as a hostile gesture? This was, I suppose, one of the main arguments that had been voiced against raising this subject by Western politicians.

At the moment it is clear that this is not the case, and I hope that during the NATO summit, which is planned for December this year, the case will be put on the agenda, and although there is likelihood that it will not be definitely settled, it will bring us nearer to our membership, which is not just needed because Poland thinks that it is in some great danger but simply because Poland has been joining the structures of the unifying Europe, and NATO belongs to one of its most important structures.

[Correspondent Krystyna Koziol] Then it is of great importance to have the understanding of ... [words indistinct]

[Onyszkiewicz, interrupting] It is important also to our NATO partners, so that they know that our talks are not perceived in Russia as an act directed against them. This truly is a great step forward.

[Koziol] What real chances of Poland joining the NATO can you see?

[Onyszkiewicz] I think that this case is almost inevitable. It is not the question whether, but when and what the scenario of our joining the treaty will be. Different dates are quoted. I would like to recall what I said in the past: Everything in Europe has been progressing much quicker than we think. Therefore I think that we may be optimistic about it. [end recording]

Yeltsin Raises No Objections

LD2608173593 Belgrade TANJUG in English 1709 GMT 26 Aug 93

[Text] Warsaw, Aug 26 (TANJUG)—Russian President Boris Yeltsin has ended his official visit to Poland and left for Prague on Thursday [26 August].

The Polish media stresses as the greatest achievement of the Polish-Russian summit Moscow's promise not to raise objections to Warsaw's joining NATO.

Circles close to the Polish Government say that President Yeltsin consented only at the last moment that the political declaration should include Russia's blessing for Warsaw's membership of the former enemy camp.

Some say that the provision about Poland's NATO membership was put in personally by Foreign Minister Krzysztof Skubiszewski only minutes before the declaration was signed.

Warsaw believes that Yeltsin's decision to pull troops of the former Soviet Union out of Poland three months ahead of schedule should be a lesson to Lithuania. As different from Lithuania, which is demanding a high indemnity, Poland has agreed to compromise in order to speed [word indistinct] liquidation of the former Soviet bases in its territory.

Walesa's Spokesman Assesses Yeltsin's Visit

LD2608210993 Warsaw Radio Warszawa Network in Polish 1005 GMT 26 Aug 93

[Text] [Announcer] We have asked Andrzej Drzycimski, President Lech Walesa's press spokesman, to assess [Boris Yeltsin's] visit that has just ended.

[Begin Drzycimski recording] One year ago when President Lech Walesa was in the Kremlin, the main stress was put on those political issues of the past. This time we could talk in a different manner, see what there is to be done today and in the future. We will only be able to appreciate the significance of this meeting after some time. President Boris Yeltsin was taking decisions that many people in Russia would find difficult to accept. Both states found the need to set up a so-called goods list, that is those goods that are important to us from the point of view of our state, as well as for Russia. A concept was created that there are, as it were, pools from which money may be drawn to cover any deficits that appear.

Once again, Russia confirmed that they would take the issue of graves, those tragic places where our compatriots, soldiers, and officers died into their own consciousness, accept it as their own sad legacy that has to be accepted, that has to be melted into their history.

An agreement concerning the cemeteries and graves is in its final preparatory stages. We want to pay respect to those who fell on Polish soil, and we expect the same from the Russian side, this is understandable. Two

cemeteries will be built: certainly one in Katyn and one in Mednoye; elsewhere we will be successively preparing places where Poles died.

Generally assessing this visit: This is certainly a watershed visit. It was for the first time that the Russian president visited Poland; for the first time in a postwar situation it is not us going to Moscow to take instructions, or somebody from Moscow coming with recommendations. For the first time we talked as partners. For the first time we have no foreign troops on our territory; for the first time the Russian president requests that a group of 30 soldiers remain in Poland—which is in keeping with the concluded agreements.

The declaration by both presidents, which raises the issue of Poland joining NATO: President Yeltsin not only said he understood it, but said that in the long-term such a decision by a sovereign Poland, taking part in the pan-European integration, was not against the Russian interest. [end recording]

Debt Problem Not Solved During Visit

LD2608193993 Warsaw TVP Television First Program Network in Polish 1500 GMT 26 Aug 93

[Relayed by Warsaw TV Polonia Network in Polish]

[Text] This morning Russian President Boris Yeltsin ended his visit to Poland.

Moscow has for the first time recognized Poland's desire to join NATO as not being against Russian interests.

Once the pipeline from Russia to Germany has been built we will buy from Russia 14 billion cubic meters of gas [annually]. The agreement on trade and economic cooperation will be assured for both sides by the most favored nation clause.

The presidents have not solved the problem of indebtedness and have not signed the agreement on customs controls.

Labor Union Prepared To Join Democrats, Peasants

AU2708085693 Warsaw PAP in English 1615 GMT 26 Aug 93

[Text] Warsaw, Aug. 26—Leaders of the Union of Labour (UP) Zbigniew Bujak and Artur Smolko did not rule out during a press conference here that after the elections the UP would form a ruling coalition with the Democratic Union (UD) and the Polish Peasant Party (PSL).

Bujak gave evasive answers when asked about the UP's readiness to form an alliance with the Democratic Left

Alliance (SLD), but stressed that the very fact their programmes were similar proves nothing.

The UP leaders announced that their party would urgently submit to the new Sejm two draft laws designed to revalorize tax thresholds and to reform deputies' immunity so that it does not cover common crimes and misdemeanours.

Bujak said that the UP would present its economic programme during its congress, to be held on Sunday, August 29.

Documents Disprove Soviet Intentions of 1981 Invasion

*AU2708085493 Warsaw PAP in English 2100 GMT
26 Aug 93*

[Text] Warsaw, Aug. 26—The daily newspaper RZECZ-POSPOLITA published 8 documents on Thursday [26 August] from the Suslov commission documents which were handed to President Lech Walesa during Russian President Boris Yeltsin's visit this week.

One of the documents records that the Soviet leadership thought General Jaruzelski was hoping for military aid if there was too much resistance from Solidarity following the introduction of martial law on the night of December 12-13 1981, but that the Soviet leaders had no intention of invading Poland.

V.K. Rusakov from the Soviet Politburo is quoted on December 10, 1981 as saying, "Jaruzelski himself says that he intends to make a statement to the Polish nation. But in his speech he will not be speaking of the party, but will turn to the nation appealing to its patriotic feelings. Jaruzelski is talking about the necessity of introducing a military dictatorship, as happened under Pilsudski (in 1926), claiming that the Polish nation will understand this better than anything else."

The Rusakov quote continues: "(Jaruzelski) says that if the Polish forces do not manage to contain the Solidarity resistance, then the Polish comrades hope for the help of other countries in introducing their armed forces into Polish territory."

This quote is interesting in that General Jaruzelski himself has claimed that there was a danger of Soviet intervention, but not that he hoped for military aid if necessary.

According to the documents, Rusakov is answered by Andropov, the Soviet leader, who says "there can be no introduction of armies into Poland," a position concurred with by other Soviet Politburo members.

The Suslov commission advised the Soviet Politburo during the 1980s. The documents handed to Poland cover the years 1980-82.

Iliescu on Foreign Ties, Domestic Politics

AU2608132093 Bucharest DIMINEATA
SUPPLEMENT in Romanian 19 Aug 93 pp 2, 3

[Transcript of interview with President Ion Iliescu by Romanian Television reporters Radu Budeanu and Ilie Serbanescu in Bucharest, broadcast live by Romanian Television on 13 August]

[Text] [Budeanu] Mr. President, some four years ago, the East entered a period of transition through all kinds of revolutions—a bloody one in Romania, a velvet one in Czechoslovakia, or the one that did not take place in China, a country which nevertheless is experiencing its own transition. Therefore, a good part of the world has entered a process of great changes. Nevertheless, this does not apply only to our region, but to the world in general. Latin America, for instance, is another region where, in my opinion, this trend toward something else, something new is quite apparent. How does the president of an East European country in transition view the Latin American transition? In answering this question, we would also like you to present the background of your recent Latin American tour.

[Iliescu] You were right to underline this point. The processes experienced by Romanian society, including the transition, are an integral part of a broader process experienced by the whole world economy. As a matter of fact, we all live in an integrated society and economy, with great interdependencies. Today, the world is totally different from what it was before the war. One could say that events—seemingly minor at first glance—taking place in far-away corners of the world are affecting the overall evolution of international events. Huge intercorrelations are taking place at the economic level. You asked me about Latin America. Well, I noted that this continent, which has been tormented by convulsions, armed conflicts, military regimes, and guerrilla warfare for a long time, is now experiencing a period of relative stability. There is a certain stability in the political and social spheres; a certain consolidation of the various democratic regimes; and many efforts, quite often successful, at economic recovery. The countries I visited there offer conclusive proof in this respect. Both Argentina and Chile have made important steps along the road of economic restructuring and recovery. Argentina, which went through a period of galloping inflation and massive economic disruption with their inherent serious social effects, has been registering outstanding results in the past four years in stabilizing the economy and implementing its modernization program. Chile—having adopted another model dating back to Pinochet's military regime—launched a reform program with a team of well-trained economic experts. We met with the former finance minister—in the meantime he has become an adviser to the new government—who managed to turn a characteristic feature of almost all Latin American economies, namely the huge foreign debt, into a source of launching new profitable economic sectors, through broad international cooperation. Of course, we

must view all this from the viewpoint of the different situation prevailing there. The Latin American market has always been characterized by the huge presence of foreign capital, especially North American, which ensured the favorable prerequisites for a process of restructuring and economic recovery at this time. Second, this visit has also shown something else, namely the joint interest for developing mutually beneficial relations between our regions. This is the long-term view. Right now, the area we are living in is affected by major convulsions linked to the transition process. Nevertheless, both Latin America and our area have great prospects, since both have important natural and human resources as well as human potential, which can turn them into truly dynamic regions. The world economy, which is currently experiencing a profound recession, will be relaunched and activated through the interconnection of efforts being made in all key regions, thus contributing to an overall joint effort. This is one of the subjects which I discussed during the political contacts and talks I held there and I noted that the leaderships of these Latin American states are worried, for instance, over the effects of the protectionist policy promoted at this time of world recession by the most developed countries, particularly the Common Market. A number of measures taken by it are directly affecting their economies. Hence their interest in developing direct ties with our country, too, as an entry gate to the neighboring zone of the Black Sea and the Danube basin. Of course, we are also interested in such links. For instance, we saw some free trade zones on the La Plata River promoted by Uruguay, which can become entry gates for our products to the common market of southern Latin America or Colombia, which is the gate toward Central America, the Caribbean, and the Pacific zone. Hence, the mutual interest in expanding relations between our two regions, which, despite all the convulsions and hardships experienced by them right now, have great prospects for future development.

[Budeanu] Since you are talking about these contacts between the two regions, would you be so kind as to tell us something about the concrete prospects for cooperation, in the wake of your tour there?

[Iliescu] We also tried to instill a more concrete note into this tour, so that it did not become a mere tourist trip, as some people claimed. We took this opportunity to include representatives of economic and departmental circles, the Chamber of Commerce, and the Foreign Trade Bank in our delegation as well as representatives of 16 state and private companies. Despite its shortness, our visit enabled us to make many contacts and conduct countless talks. Various agreements were signed. Our companies directly signed a number of concrete contacts worth more than \$200 million, and there are real prospects for speeding up trade exchanges and other forms of cooperation. I had the pleasure of seeing Dacia automobiles in the capitals of the four countries we visited. Our Dacia cars have a good market there and very active partners. Our other car, Oltcit, will also penetrate that

market—we signed a contract to this extent. ARO jeeps are selling well and are quite appreciated; we signed agreements with Colombia for an assembly line there and a joint sale network, including the manufacture of spare parts in the respective countries. Therefore, this is of mutual interest both to the South American market and our plants. ROMCAR company has taken a first step in that market, which expressed interest in the micro-buses manufactured by the Bucharest-based ROMCAR enterprise. The TRACTORUL company of Brasov is well represented there. I even visited a family company that is TRACTORUL's partner in Montevideo, where it has an assembly line with a few sale and servicing outlets, which are expanding throughout Argentina. So, there are a few concrete things already achieved or in the process of being launched now. In Chile, I met Romanian experts, mining geologists working in the copper mines there; a Chilean-Romanian joint venture agreement was signed on processing the rich copper mines in Chile and producing electrolytic copper. Therefore, a few concrete projects have already been agreed upon. All these countries—both in the southern region of La Plata and the Caribbean, Colombia, and last year Venezuela—have expressed interest in our projects of creating free trade zones in Constanta, the Danube-Black Sea Canal, and along the Danube as storage, processing, and sale points not only for the Romanian market, but also for the neighboring ones. Therefore, we are mapping out certain guidelines of joint action of mutual interest.

[Serbanescu] Mr. President, you said that the Chileans succeeded in turning their very large foreign debt into an element of economic stimulation. This makes me think of our situation. We cannot do the same thing, since we do not really have a foreign debt. But let us turn now to our country. I do not know whether this is the general impression, but I feel that we are confronted with a kind of blockage, both on the political and economic planes, at this moment. The reform, well... this is a period of stagnation, to which one must add all these strikes and the most alarming prospect of a lack of foreign financing. Winter is almost around the corner, and I would say that—in the light of these circumstances—one expects you to make an assessment of the situation and even an initiative to end the blockage.

[Iliescu] Of course, the situation is difficult, and this does not apply to us alone. Regarding the Chilean experiment you mentioned, it is true that they have achieved some interesting results. We do not have foreign debts. Some said it was an advantage, others say it is a disadvantage. Since you do not have foreign debts, you are not in the sight of the financial and banking circles, which have no interest in you. In Chile, we saw this conclusive example. They succeeded by organizing a mixed society which intervenes in the economy. It consists of Chilean state capital on the one hand, and private companies on the other—particularly ITT, which has deep-going roots in the Chilean economy—joined in a kind of mixed economic foundation with state, private, and foreign capital. The country's foreign debt was thus turned into a

source of incentives, with the Chilean state merely granting large concessions for the development of economic activities as repayment for these debts...

[Serbanescu] Meaning that it actually sold the debts for investments.

[Iliescu] Yes, for investments. New branches were developed, such as salmon production, never known there before. In only two years, Chile became the second largest exporter of salmon in the world after Norway. Ocean fishing developed, too, since Chile has a long Pacific shore. The agricultural, agro-industrial, and processing sectors also developed along with a corresponding sales network. Chile even became a large wine producer and overtook other producers in the region, by relying on this very cooperation and collaboration with capital owners interested in recovering the debt owed to them by the Chilean state. Therefore, this is a truly interesting experience, which we unfortunately cannot use because we do not have such debts.

[Serbanescu] But we could simply try to attract the foreign capital.

[Iliescu] This is true. We have other attractive things to offer, which we should know how to use. First of all, there is the sentiment expressed on this occasion, too, as on many other occasions in the past, regarding our relative internal stability compared to what is going on around us. As is known, Romania began the overthrow of its old structures in December 1989 through violence, and the ensuing convulsions and confrontations left their imprint on developments in the first part of 1990, something which also created a certain unfavorable image for us and also fueled certain reservations toward us. But now, there is an ever-growing feeling that Romania represents an oasis of stability in a very convulsive area—you just have to look at the things going on in Yugoslavia, on the one hand, and the Soviet Union, on the other; hence the interest of certain economic-financial circles in the development processes in Romania.

[Serbanescu] The risk is to avoid turning stability into stagnation. This is the...

[Iliescu] All right. The question of stagnation is something worth discussing. The subject is being aired now, with the current government being accused of stagnating the process of reform. First, I believe that these allegations are relative and pretty much subjective. If we are to think in concrete terms, this government, which is criticized for many shortcomings in the sphere of economic administration, inherited a difficult situation, the result of a three-year-long economic decline. Second, this government has promoted, in these circumstances, several most delicate measures of the economic reform process, namely the withdrawal of subsidies, the introduction of value-added tax [VAT], and the adoption of measures to enhance financial discipline. Of course, the problems are not simple. At the same time, our resources are limited, production has gone down, and the foreign trade balance

is still unfavorable—despite certain progress made this year, when the difference between exports and imports was reduced, but which still left the balance in an unfavorable state, on the whole. Industry has made a few steps forward in the first half of the year, by registering a certain increase compared with the preceding months and reaching the production level of the middle of last year. Therefore, instead of a continuing decline, one could note a certain industrial production recovery, with agriculture also showing some encouraging signs, through a good crop. In other words, there were some prerequisites for a positive evolution and I believe that a few important steps were taken along this line. However, it is necessary to make some corrections in order to give more coherence to the process of reform and economic restructuring. Thanks to legislation developed in recent years, we created a series of structures and institutions that began to function, such as the Privatization Agency, the Development Agency, the State Property Fund, and the Private Property Fund. These institutions are still at an incipient stage, but they already play a very important role in the entire process of economic restructuring and the promotion of privatization. Many incoherencies and overlappings have emerged, as well as elements of discontinuity in the activity of all these bodies. Both the government and parliament should examine these matters—since some of the aforementioned bodies, such as the State Property Fund and the Private Property Fund, are not subordinated to the government—in order to give more coherence to the established institutional structures and complete the extant legislation with elements that can give efficient corroboration for the activity of both the government and other bodies.

[Serbanescu] Do you believe that the current governmental and parliamentary formula contains the necessary prerequisites for this new impetus you referred to?

[Iliescu] As one can see, the current parliament structure and balance of political power are rather hampering this process. Therefore, all political and social leaders in our society should examine this situation in a realistic and responsible spirit. We have to consider the reality as it is, both as an economic and social foundation and with regard to Romanian society's political structures. Last fall we tried to achieve a broader platform of cooperation among the political forces. Personally, I tried hard to achieve just that in all the talks I conducted then. However, I failed in my endeavors. The ideas of a national government, of a broader coalition, and even of a political and social pact were all rejected. Almost one year has elapsed since then. Nevertheless, society did not stand still and things have evolved in the meantime. Of course, certain elements of tension have also arisen. The economic situation, with its effects on the people's life in general, generates both discontent and dissatisfaction, proof of which is the latest labor unrest.

[Serbanescu] I believe you should openly state your opinion on the strikes.

[Iliescu] I would not say that these strikes are really justified. Of course, on the one hand I understand the people's worries about the deterioration of their purchasing power and over inflation and unemployment which had...

[Serbanescu] Nevertheless, these strikes were started by social strata that are not among the weakest at this particular time.

[Iliescu] Indeed, the curious thing of this affair is that it is not the people with the hardest living conditions and smallest incomes that are participating in these strikes. There seems to be greater understanding from very broad categories of people for the difficulties of this period, while these strikes...

[Serbanescu] Are declared by people who have no reason...

[Iliescu] Anyway, I maintain that in times of crisis there is need for understanding and a certain social consensus as well as for the everybody's participation in these efforts. To this extent, we have examples from our country's history and the example of other countries. We went through much harsher periods than that—such as the war and the period immediately after, with droughts, destruction, huge shortages, and galloping inflation—and still survived it all. Countries which suffered enormous destruction and lost the war—such as Japan and Germany—also went through a very hard and difficult period for 20-30 years. But they achieved a very large mobilization of their potential and...

[Serbanescu] ... of the Japanese will.

[Iliescu] ... and of the political will of the people, who propelled these two countries to the head of the world economy. I believe that we have such moral resources in Romanian society and we can also achieve the necessary level of understanding and cooperation, so that, through joint efforts, we can fulfill the national target of coming out of this difficult situation, overcoming the hardships facing us, and relaunching our economic life, despite the hardships we are experiencing now. You also raised another problem, that of our external financing. I know that the negotiations with the IMF are a current topic of discussion. Maybe you wanted to make reference to this issue. I believe we are dealing here with a failure of these negotiations. On the other hand, all IMF discussions with the other countries in our region were longer and more difficult this year. No agreements have yet been concluded with either Hungary or Bulgaria. Therefore, we are no special case in this respect. On the other hand, you have the world financial crisis, with only limited resources available to the financing bodies. Consequently, they are examining the conditions for credits and loans more exactly and scrupulously than before. In my opinion, this is not a bad thing per se, because the IMF's performance criteria coincide with our own economic recovery concerns. What do they actually refer to? To aspects pertaining to promoting economic efficiency,

mastering the budgetary deficit, stopping inflation, stabilizing the national currency, and eliminating inefficient activities subsidized from the state budget. The IMF wants to know to what use the respective credits will be put. Will they be wasted on consumption? The international bodies will not agree to such a thing. Will they be used for restructuring and economic recovery? This is the theme of the ongoing discussions, but it does not represent a subject of dissent between the partners in those discussions.

[Serbanescu] What is the bone of contention then, since we are talking about financing...

[Iliescu] For instance, the pressure created by the wave of strikes does not do us any good and is certainly not helpful to the governmental team negotiating with the IMF. Some argue that the government will be forced to give in to this pressure, after which the foreign credits will have to go toward meeting certain consumption requirements and will thus be wasted and gone in one year, without any impetus having been given to our national economic recovery. This is the way those negotiators think, and I believe that they are right in this respect. Therefore, from their viewpoint there are only two ways to deal with moments of crisis, as proven by the world experience: Either you have authoritarian regimes that just impose various measures—as happened in Chile, in Spain before, Turkey, and other countries—and certain economic steps that imply a certain social cost; or you achieve a broad understanding and a political and social consensus at the national level on implementing certain authoritarian measures. We have embarked upon an irreversible and decisive course toward consolidating the state of law and certain democratic structures. However, we must display the necessary skills to engage in a political and social dialogue and to create a platform for agreement on this matter...

[Serbanescu] I believe that the main thing politically is to break up the problem into its component parts so as to solve the economic aspects.

[Iliescu] This is of course a key issue.

[Serbanescu] What do you plan to do in this respect?

[Iliescu] There are several possibilities. Of course, there is talk about a possible government reshuffle. This is the government's internal problem. According to the provisions of the constitution, such a thing can be simply solved at the prime minister's initiative, whenever he feels the need to strengthen the ministerial team through government reshuffles, which obviously presuppose negotiations only with the political forces supporting him. On the basis of such efforts, the prime minister can then make proposals that the president might approve or not. The more difficult problem is to open a broader dialogue with the political forces in the country for a possible new political coalition formula. However, I believe that we still lack the necessary atmosphere for

such an initiative. There is even a prevailing note of tension in this respect, but I believe that we should not give up on the idea.

[Serbanescu] Therefore, I understand that you are referring to a reshuffle, which means the same prime minister. Do you believe that there is a possibility of ending the blockage and coming out of this quasi-stagnation through a simple reshuffle? Or do you believe that only searching for a new formula...

[Iliescu] No. Let me see, let us take one thing after the other...

[Serbanescu] The possibilities?

[Iliescu] ...all the possible actions. Therefore, a reshuffle can be done without any problem at all, since it does not change the facts of the political spectrum of the political coalitions supporting the governmental team. This is quite feasible and can bring the governmental team's efficiency to a high level, while also ensuring its more cohesive and coherent activity. Second, there is the more complicated sphere of arranging certain political negotiations to reach a broader understanding among the political forces in Romanian society, which in its turn should constitute the foundation of a broader dialogue with the social forces, for example the trade unions.

[Budeanu] Do you not think that this political pact, shall we say, is actually the most viable formula? Of course, from an intermediate viewpoint, the reshuffle might represent a circumstantial solution. However, from a strategic viewpoint—by taking into consideration all the angles of this problem of our society, that is the economic, social, and moral aspects—do you not think that the aforementioned pact might represent the main target? It should stay at the basis of all our efforts, to the very last man. Except for such a pact, I do not see how one can pragmatically tackle this issue.

[Iliescu] I fully agree with that assessment. I mentioned this possibility as far back as last fall, and a first attempt along those lines was also made, to no avail. I also referred to Spain's example and the "Montcloa Pact," which was signed by the entire political echelon present there. I reiterated this idea at my latest news conference on 24 April. My impression is that this can be achieved in a contract. I believe in this, and I would like to call on all political forces and parties to initiate a dialogue in this respect, in order to conclude a political pact as well as a political and social pact with the trade union forces, in order to ensure that we proceed in all our endeavors from the current realities of today's Romania and from the difficulties we have to overcome. We should really strive for a platform of cooperation on several minimal goals, which should pull together all the national forces in the effort to map out a long-term national strategy. Governments will come, go, and change, and we will probably have a period of multiple changes. Nevertheless, we must work out a long-term national strategy for Romanian society, on the basis of a minimal platform of interconnections between the platforms and interests of

all the political and social forces in society. I believe that one can work out such a strategy, which should be the basis of a pact on political understanding, capable of mobilizing the political and social forces of the country as well as all of Romanian society to take all the necessary efforts in the future.

[Serbanescu] Should we interpret this appeal as an pledge on the part of the president that he will soon engage in an attempt to work out such a pact, patronize and initiate it, and then try to bind it together?

[Iliescu] Personally, I have always been open to such a dialogue. Maybe I did not always manage to do everything right, particularly in the more difficult period at the beginning of this year, when I did not have much success in promoting such a dialogue, not even under the present conditions. However, I am still prepared to undertake something in this direction—as a matter of fact, it is even my constitutional duty to undertake efforts along these lines. I will stimulate such contacts with the parties and among the parties, in order jointly to work out the prospects of such a cooperation in the future.

At the same time, I would like to call on the social forces currently engaged in conflicts to understand the difficulties of the moment and set aside certain demands, no matter how justified they might be. Let us set out from realistic possibilities and rely on the governmental team, regardless of its composition, because this is what we have now and this government will continue its activity, like any other future governmental team. When dealing with the very difficult problems of economic reform promotion—while also having to cope with other immediate requests—no governmental team can be at its peak when tackling the basic problems of administering the national economy and promoting the key processes of economic reform. Since we are now in the middle of a labor conflict, I would like to address myself to the train engineers. This morning I received an open letter from Mr. Ion Vlad, vice president of that trade union federation, who calls on me to intervene. But I would also like to turn myself to this category of people, train engineers, people with a high professional and civic conscience, and tell them that strikes do not solve problems; on the contrary, they complicate them. The Romanian National Railroad Company [SNCFR] is at the limit of its financial possibilities of ensuring the negotiated salaries. In these circumstances, any new day without work only brings further losses to the budget of this company, which might find itself in a position of not being able to pay even the already negotiated salaries. In other words, the leadership of these trade unions, together with the railroad workers and engineers, should think of what they really want to accomplish after all. It seems to me that we should prove more wisdom, the wisdom of the Japanese, for instance, who found more efficient formulas of understanding, in the context of the tripartite dialogue among government, employers, and trade unions. The so-called "Japanese strike" was invented, which does not presuppose stopping the work. Even

when labor conflicts break out, the people are negotiating and wearing white bands, thus proving that they have certain demands that are being negotiated, but they do not interrupt work, because this hurts the national interest. As far as our national interests are concerned, they are strongly affected by the strike of the engineers. For instance, the industrial production and the life of peoples and localities are affected and we have to pay penalties for stopping international trains at the border. The strikers' own demands are thus undermined, since there can be no talk of further supplementing the budget of SNCFR, which must find its own solutions if it wants to observe the commitments it took in the wake of negotiations, whose conclusion is nevertheless endangered by this stagnation of the company's activity. Therefore, in these conditions, I believe that one should carefully weigh each action and movement as well as their consequences. All of us should rise above some private considerations and take into account the national interest, which actually incorporates the individual interests of each one of us.

[Serbanescu] With your permission, I would like to go back to the issue of the new formula, since I believe that only this can be the foundation for such a pact, as I do not think that we can achieve a social pact on the basis of the present formula. I have my doubts about that and I believe that there is an intercorrelation here. Did you have or do you intend to have contacts with the opposition in this respect, since there are two questions here: First, do you believe that the opposition might be open to such a formula, which can ensure the pact, and that such a formula might enjoy the endorsement of the current political spectrum that supports the government, with all its inherent problems when it comes to the relationship between the ruling party and the opposition? The second question I would like to put is whether you believe that our chances of obtaining foreign financing are linked to the success of this new formula.

[Iliescu] I believe that the chances of obtaining foreign financing should in no way be conditioned by the governmental formula. This is an internal policy affair of our country. Such an approach—which did exist—has proved nonproductive, something with which all political decisionmakers in the main countries have concurred. I was able to confirm that from the talks I had on this subject with very many people, including representatives of the international financial bodies. Therefore, wishes and true possibilities in a given country are two different things. Consequently, the factors from abroad will never be able properly to judge what solutions are best, at a given time, for the specific circumstances prevailing in a given country. However, as far as we are concerned, from the various contacts I have had in the past, I noted that the prevailing attitude is rather against any change of political spectrum and against cooperation through the assumption of governmental responsibilities.

All you have to do is recall the first reactions to my contacts with several political leaders who opposed any

would-be attempts at dialogue on this subject. Therefore, I believe that, in a first stage, we should rather talk about creating the necessary framework and climate for cooperation between the governmental team and the opposition, regardless of their structures. This should be the foundation for a political pact, meaning that, regardless of the governmental formulas to emerge in the future, there should be a platform of understanding so that, irrespective of the position occupied by a political formation in the political spectrum—whether it is in government or opposition—there should be a platform of understanding, action, and cooperation. Because being in opposition does not necessarily mean enmity. Opposition and political confrontations should actually constitute a constructive framework of cooperation, with each side maintaining its positions and developing active criticism, but without invectives being thrown at the governmental team. The constructive criticism of a serious opposition should rather help any governmental team that might happen to be in power and correct eventual mistakes, since the opposition itself is involved in solving the basic problems of Romanian society. Therefore, it seems to me that, in a first stage, one should strive to create this platform of understanding on such topics as: What is the meaning of a democratic political life? What does political confrontation mean? What are the problems faced by Romanian society? What are the goals to be reached and how can a given governmental team be helped, in the current circumstances, to make progress and resolve these problems of our society? In my opinion, this is the only realistic approach.

Melescanu Receives Council of Europe Official

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GMT 26 Aug 93

[Text] Bucharest, ROMPRES, 26/8/1993—The visit in Romania made by the Council of Europe's Secretary-General Catherine Lalumiere started with an interview with Romanian Minister of State and Foreign Minister Teodor Melescanu.

During the talks, Mrs. Lalumiere showed herself extremely interested in the stage of the economic and financial reform, in the foreign investments' situation including the operation of great Western companies in Romania as well as in the stage of the demarches for compensations against the losses caused by the embargo against Yugoslavia. Special attention was given to the reform of justice and to the way the new law on judicial bodies is being applied. Mrs. Lalumiere approached also the issue of the minorities in Romania and appreciated the activity of the Council of Minorities.

Mrs. Lalumiere said that the short period until the next session of the Parliamentary Assembly was very important for the settlement of the specific conditions which had been put by some European parliamentarians regarding Romania's admission to the Council of Europe. Mrs. Lalumiere insisted on the necessity that all

that had been achieved in Romania connected to its admission in the Council of Europe should be made known.

"We have started today a survey of a string of problems being currently posed in Romania", said Mme. Catherine Lalumiere, secretary-general of the Council of Europe, at the close of her August 26 afternoon meeting with Foreign Minister and Minister of State Teodor Melescanu.

Pointing out that together with the Romanian chief diplomat she analyzed the economic and also political situation of Romania, Mrs. Lalumiere said: "I for one have long wanted Romania to join the Council of Europe. It may have lasted a little too long, because many reforms are necessary. We should say it that in the past Romania went through many difficulties and for that reason no doubt the reforms have to be deep-going, but the process of reform seems to me to have taken the due course".

Referring to the setting up of the Council on National Minorities, Mme. Lalumiere assessed: "The setting up of this council, that will allow for the meeting of minorities' representatives with members of the administration, of the government, seems to me a fine initiative, on condition that this council should work and do it well". "In a country like Romania", Mme. Lalumiere said, "and it is not less true that in most countries of Central and Eastern Europe there are problems of minorities, solutions have to be found, ways in which the minorities should feel supported. Everything that can help talks, negotiations, the singling out of solutions acceptable to both parties, all this has to be encouraged."

Mme. Catherine Lalumiere, secretary-general of the Council of Europe, had an interview on August 26 with Romanian Prime Minister Nicolae Vacaroiu.

According to the government spokeswoman, the talk focussed on the economic reform in Romania as a guarantee of political reforms and on the social cost of transition.

After a general outlining of the steps taken by the executive in the field of economic reform and legislation, they discussed specific Romanian issues.

One of them was that of minorities. Stressing that the Council of Europe's major preoccupation in that respect was that there should be no discrimination as regarded the minority populations and that the minorities should be able to preserve their culture, language and have access to adequate education, Mme. Catherine Lalumiere assessed that many good steps were taken and great efforts made in that respect.

The Romanian prime minister emphasized that Romania observed all international conventions on human and minorities' rights which it had signed.

Spiroiu: U.S. Presence in Europe 'Desirable'*AU2608142693 Bucharest EVENIMENTUL ZILEI in Romanian 23 Aug 93 p 4*

[Report by Radu Tudor: "Lieutenant General Nicolae Spiroiu Declares: The Presence of the Americans in Europe Remains Desirable"]

[Text] In an interview granted to the daily NINE O'CLOCK, the minister of national defense, Lieutenant General Nicolae Spiroiu, emphasized the Romanian forces' cooperation programs, particularly the joint Romanian-U.S. program in Bucharest, coordinating cooperation with the U.S. Army within the program of contacts called MIL TO MIL [all caps as published] established with the European command of the U.S. forces.

Throughout 1993, the Romanian forces are benefiting from courses offered within the international military training program, AIMET [expansion unknown], organized by the U.S. State Department to offer assistance to the armed forces of East European countries.

"We consider our military relations with the United States to be very important. The presence of the Americans in Europe, a continent currently undergoing change, remains desirable," General Spiroiu stated. The Romanian minister of defense thinks that the Romanian-U.S. military relations are in concordance with the Romanian nation's wishes.

"Romanian-U.S. relations did not reach the most desirable level from the beginning, owing to the U.S. Administration's reticence regarding Romania and its post-revolutionary leadership," Defense Minister Spiroiu pointed out.

Cabinet Adopts Social Protection Draft Bill*AU2508195093 Bucharest ROMPRES in English 1812 GMT 25 Aug 93*

[Text] Bucharest ROMPRES, 25/8/1993—Romania's Government analyzed in its August 25 meeting a number of draft normative acts considered as necessary for the continuation of the process of economic reform. The cabinet endorsed among other acts the ordinance pursuing encouragement of small- and medium-size enterprises through granting of facilities allowing for an increase of industrial production and of the volume of services and equally creating new jobs, an ordinance stipulating in a single article the enforcement of the provisions regarding the measures of preventive recovery measures and bankruptcy in the commercial

code if the economic agents' [companies'] inability to pay is not eliminated within six months beginning with the inability was found out.

Also, the executive submitted to debate new regulations in the domain of social protection, endorsed a bill for the improvement of the situation of the unemployed and people affected by the restructuring of the enterprises. The document extends the category of persons entitled to unemployment benefit, envisages a rise in the rate of subsistence allowances and stipulates the granting of facilities for the young graduates' professional integration, including the granting of loans for the development of certain productive activities.

Another issue discussed by the executive was the status of the refugees in Romania. The necessity was stressed that Parliament should expedite the ratification of the Geneva convention on the refugees' protection.

Three ordinances were also approved, regarding the ratification of loans agreements.

Discussed during the meeting were also the concrete modalities of assisting the government of the Republic of Moldova to overcome the current difficulties. The government decided that the deliveries of the first installments for August for the supply with fuel of the population in Moldova—consistent with the executive's commitments—should be covered from the Moldova fund, which is already endorsed and stands at about 7 billion lei. A bill is expected to be advanced to Parliament, to be solved as an emergency, on granting a long-term soft [low-interest] loan to the Republic of Moldova for the purchase of power resources.

Court Rejects Establishment of Communist League*AU2608153093 Bucharest COTIDIANUL in Romanian 24 Aug 93 p 3*

[Report by A.G.: "Rejection of the Request To Legalize the League of Communists of Romania"]

[Text] Yesterday the Craiova town Justice Court rejected [on procedural grounds] the formal request to legalize the League of Communists of Romania. We would like to remind our readers that the initiative to reestablish that organization belongs to Gheorghe Ungureanu, a school inspector in the town of Curtea de Arges, Marin Trusca of Craiova, and Gheorghe Zbaganu.

The person mentioned last is the brother of the person [Virgil Zbaganu] who had tried to reestablish the communist party but later died in an accident.

Foreign Media Bulletin: Balkan Crisis 27 August
WA2708165393

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian Assembly opens session to vote on peace plan; Izetbegovic calls for changes to proposed boundaries of new republics ... Bosnian Serbs report differences over plan delaying their vote ... UNPROFOR convoy remains blocked in Muslim sector of Mostar, resolution may be near ... British troops kill Croat, wound two after coming under fire in central Bosnia.

POLITICAL

IZETBEGOVIC CALLS FOR CHANGES (Sarajevo Radio, TANJUG): Opening a Bosnian Assembly session that will vote on a peace plan presented in Geneva, Bosnian President Izetbegovic calls for changes to the plan, including granting Muslims territory along Drina River and near Gornji Vakuf, as well as access to Adriatic Sea near Neum. TANJUG reports that before the session opened, Bosnian Presidency member

Abdic—along with Izetbegovic one of two Muslim members of Bosnian Presidency—declared himself in favor of accepting the peace plan as it is and accused Izetbegovic of “advocating war” and the “annihilation of the Muslims in Bosnia.” (AU2708135093, LD2608195593)

SERBS DELAY MEETING Belgrade Radio reports that “contrary to expectations,” Bosnian Serb meeting to vote on the peace plan has been postponed because of “bitter” divisions over granting Muslims territory currently occupied by Bosnian Serb forces. Bosnian Serb “vice president” Koljevic says “misunderstanding” occurred at peace talks when maps were drawn of the proposed division of Brcko. (AU2708152293)

UNPROFOR

UN CONVOY BLOCKED FROM LEAVING MOSTAR (AFP): UNHCR spokeswoman says aid convoy still blocked from leaving Muslim area of Mostar by residents who fear an attack by Croatian forces, expresses hope that a compromise will be reached soon. (AU2708114393)

BRITISH TROOPS KILL CROATIAN SOLDIER (London PRESS ASSOCIATION): After coming under attack by buses of Bosnian Croat soldiers passing by their base in central Bosnia, British UNPROFOR troops return fire, killing one Croatian soldier and wounding two others. (LD2708134593)

Assembly Session To Last Two Days

AU2708084493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 27 Aug 93

[Text] As you have heard in the headlines, the session of the Bosnia-Herzegovina Assembly is expected to begin early this afternoon. It is planned that the assembly will discuss one single topic—for or against the Geneva document.

It is planned that the assembly will work over two days. Besides deputies, approximately 200 guests from Sarajevo, Tuzla, and Zenica have also been invited, mostly distinguished public, cultural, and scientific figures, as well as representatives of the Army. The gathering will, thus, have the nature of an assembly [sabor], but only the deputies will vote on the decisions.

There is also the possibility of deputies from the Bihac region holding a parallel session in Bihac, if the UN Protection Forces fails to secure their transportation to Sarajevo.

Sarajevo Croats Boycott

LD2708115593 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 27 Aug 93

[Report by correspondent Ranko Mavrak for Croatian Radio from Sarajevo]

[Excerpt] A session of the Bosnia-Herzegovina Assembly, at which the Geneva peace plan will be discussed, is due to open at 1400. Most deputies from the Party of Democratic Action [Muslim party] and opposition deputies, as well as many public and cultural workers, are expected to take part in the session.

Representatives of Croats from the Sarajevo area will not attend the session. The Sarajevo city committee of the Croatian Democratic Union passed a decision on this, considering the fact that representatives of the Croatian nation will adopt a position on the Geneva plan at a separate session.

The session is expected to last two days, and the final decision on the future of the offered peace plan will be adopted tomorrow, in the part of the session that will most probably be held behind closed doors. [passage omitted]

Izetbegovic Refuses To Cede Captured Territory

LD2608171093 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 26 Aug 93

[Report by correspondent Ranko Mavrak from Sarajevo]

[Text] Alija Izetbegovic adamantly adheres to his stand that the areas that the Serbs have captured by force, and that have been ethnically cleansed, cannot be part of the republic of Srpska of the future Union of Bosnia-Herzegovina. He said this again today following the talks with Kofi Annan, UN undersecretary for peacekeeping

operations, who made a brief visit to Sarajevo today. In a statement for journalists President Izetbegovic added however, that the government in Sarajevo was committed to seeking a solution to the current crisis by peaceful means. Izetbegovic's statement that the war should be stopped by any means, but not at all costs is very interesting. He went on to explain. This means that the Muslim side is not ready to yield to the Serbs the territory in which the ethnic cleansing has been carried out on the largest scale. The world cannot ask of us to make this concession, and we are not ready to make it, Izetbegovic said categorically.

Commenting on the talks with Kofi Annan, the Bosnian president said that he was dissatisfied primarily because of the slow deployment of the additional contingent of the blue helmets in Bosnia-Herzegovina. A consent was reportedly reached during the talks today to speed up that process.

The UN under secretary diplomatically said that he had frank talks with Izetbegovic, and that he gained a clearer picture of the situation on the ground.

There are many meetings and statements in Sarajevo today in connection with tomorrow's session of the republican parliament. Public opinion is deeply divided, but those who believe that the offered peace plan is not acceptable are louder at the moment. There are very few people who are ready to face the responsibility for a possible continuation of war. The fragile peace that has reigned in Sarajevo recently has probably allowed people slightly to forget the true horrors of war, and there is therefore, enough room for expressing hard feelings.

The only certain thing at the moment is that the final decision on the future of the Geneva peace plan will not be adopted tomorrow.

It has already been announced that the discussion of the plan will last two days. The discussion (on Saturday) will be held behind closed doors.

Silajdzic Says Conditions for Peace Not Fulfilled

AU2708095293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 27 Aug 93

[Text] Bosnia-Herzegovina Foreign Minister Haris Silajdzic has sent a letter to the UN Security Council Chairman Madeleine Albright. Among other things, the letter states:

The key precondition for establishment of safe areas—the withdrawal of the aggressor's troops and armament to a distance from which they cannot endanger these areas and their population—has not been fulfilled. In Sarajevo alone, since 8 May when the town was declared a safe area, 535 of its residents have died and 3,306 have been injured to date. Sarajevo continues to be under siege. The aggressor's forces to this day have not withdrawn from Bjelasnica and Igman. Armed attacks on Gorazde, Tuzla, Bihac, and other areas contained in the

Resolution No. 835 continue. Several tens of thousands of men, women, and children in Mostar are exposed to mortal danger due to artillery attacks and lack of food and medication. More than 15,000 civilians and 1,500 soldiers are imprisoned in Herzegovina.

Due to the situation outlined and the unprecedented suffering of civilians, I repeat the demand that the UN Security Council embarks without delay on implementing Resolution No. 835. Tens of thousands of human lives depend on this, it is written in the letter that Haris Silajdzic sent to Madeleine Albright, chairman of the UN Security Council.

Muslim Speaker Requests Improvement in Geneva Plan

LD2608224293 Belgrade TANJUG in English 1944
GMT 26 Aug 93

["Pool" item]

[Text] Pale, Aug 26 (TANJUG)—Bosnian Moslem Parliament official Miro Lazovic on Thursday [26 August] said that parliament, when it meets in Sarajevo, will request that the Geneva package for Bosnia be amended to include a clear statement that Bosnia-Herzegovina exists and remains an internationally recognized state.

Speaking at a press conference in Sarajevo, Parliament Speaker Lazovic said it was necessary to include in the Geneva document all safeguards which should preclude the possibility of the ethnic republics forming the future Union of Bosnia-Herzegovina becoming independent states, Radio Sarajevo said.

Lazovic said that parliament must make demands that would improve the constitutional arrangement for the future union in order for Bosnia-Herzegovina to function as one state, and that the Moslem delegation should return to the conference table with such demands.

The package for Bosnia-Herzegovina brokered by international mediators Lord Owen and Thorvald Stoltenberg at the Geneva defines the constitutional set-up of the future union and the territories of the ethnic mini-states of the local Moslems, Serbs and Croats that should form it.

The parliaments of the three ethnic communities should declare themselves on the package by August 30, when their leaders should reconvene in Geneva to finalise the deal and put an end to the 17-month-old civil war.

Abdic Backs Plan, Criticizes Izetbegovic

LD2608195593 Belgrade TANJUG in English 1903
GMT 26 Aug 93

["Pool" item]

[Text] Petrovac, Aug 26 (TANJUG)—Fikret Abdic, the rival of Alija Izetbegovic on the Bosnian Moslem Presidency, declared himself on Thursday in favour of

accepting the entire package for Bosnia-Herzegovina proposed at Geneva last Friday [20 August], and accused Izetbegovic and his associates of advocating the war option and the annihilation of the Moslems in Bosnia-Herzegovina.

Abdic spoke on Moslem television in Bihac, in the Cazin Krajina region in northeastern Bosnia-Herzegovina, where he won republican elections before the outbreak of war.

The Bosnia package, brokered by international mediators Lord Owen and Thorvald Stoltenberg, offers the blueprint for the constitutional arrangement of Bosnia-Herzegovina as a union of three ethnic mini-states of the local Moslems, Serbs and Croats.

The ethnic parliaments should endorse the package by August 30, when the three communities' leaders should reconvene in Geneva to finalise the deal and put a stop to the 17-month-long civil war.

Izetbegovic has said that the Moslem parliament will certainly not endorse the plan of demarcation among the belligerents, and might even reject the entire package.

Abdic, on the other hand, says that, if the package were to be rejected, the blame should be attached to Izetbegovic, Ganic, Silajdzic and others who advocate the war option which is conducive to the destruction of the Moslem nation.

"The borders we are speaking of will be rigid in the early days and maybe months, but they will disappear, become obliterated as time goes on, and make possible the development of far more normal political, economic and other relations among the people and republics of the future union of Bosnia-Herzegovina," said Abdic.

'Difficulties' Arise at Serbian Meeting

AU2608205393 Belgrade Radio Beograd Network in Serbo-Croatian 2000 GMT 26 Aug 93

[Report by Slobodan Jankovic]

[Text] On Mount Jahorina the deputy caucus of the parliament of the republic of Srpska has started its meeting devoted to the Geneva plan on the organization of the former Bosnia-Herzegovina. The deputy caucus is meeting behind closed doors on the eve of tomorrow's session of the assembly of the Srpska republic. Slobodan Jankovic reports from Pale.

[Begin Jankovic recording] As I report, the session of the Main Council of the Serbian Democratic Party and the deputy caucus, which started several hours ago, is still in progress in the hall of the Rajska Dolina Hotel on Mt. Jahorina above Pale. They are discussing the Geneva peace plan, or to be more precise, the maps.

Everything is taking place behind closed doors as this is a preparatory meeting for the session of the national assembly of the republic of Srpska scheduled for

tomorrow [27 August], at which the deputies will decide on the Serbian side's answer to the proposed peace plan that was agreed in Geneva on 20 August. According to information leaked from the hall, where the council of the Serbian Democratic Party and the deputy caucus are holding a meeting, the process of harmonizing views is moving at a very slow pace.

The introductory speeches on the course and outcome of the last round of Geneva conference were made by Radovan Karadzic and Nikola Koljevic. After that, an expert of the government of the republic of Srpska explained the borders agreed in Geneva over a map in great detail.

People's deputies continued the discussion by expressing the views of the regions from which they come. The so-called disputed areas, parts of Serbian territory that would belong to the Croatian or the Muslim side according to the peace plan, are causing the greatest difficulties. Explanations are given in respect of every individual village. Judging by everything, this important session will continue deep into the night.

So to recap, the national assembly of the republic of Srpska will express its view on the peace plan tomorrow, while the Croats and the Muslims will express their views on Saturday. [end recording]

Session Postponed

LD2708090093 Belgrade TANJUG Domestic Service in Serbo-Croatian 0841 GMT 27 Aug 93

[Text] Jahorina, 27 Aug (TANJUG)—The beginning of the session of the People's Assembly of the republic of Srpska has been postponed because the deputies' club resumed session behind closed doors in Jahorina this morning. The deputies' club, formed on regional principle, opened session late yesterday afternoon and the deputies discussed the draft Geneva document on the formation of a union of three republics of Bosnia-Herzegovina and their territorial division until late last night.

Republic of Srpska president Radovan Karadzic submitted to the deputies a detailed report on the course of the Geneva negotiations and the work of the republic of Srpska's delegation.

The discussion in the deputies' club was difficult and painful because of the disputed parts of the document, especially those referring to the areas which the Serbs should cede to the others. Judging by the continuation of the debate this morning, a consent will be neither easy nor simple to reach.

As we have learned, the Assembly session should open around noon.

Herceg-Bosna Republic To Be Proclaimed 28 Aug

LD2608193293 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatian 1400 GMT 26 Aug 93

[Text] Under the chairmanship of Jadranko Prlic, [Croatian Defense Council president for Herceg-Bosna] consultative meetings—in which all the officials—legitimate representatives of the authorities of the Croat people in Bosnia-Herzegovina—started in Grude today. On the basis of the conclusions contained in the statement of the Central Committee of the Livno HDZ [Croatian Democratic Union], issued the day before yesterday, preparations will be made during today's meetings and consultations for a joint session of the government and other Herceg-Bosna bodies to take place on Saturday [28 August].

It is expected that on this occasion the Croatian republic of Herceg-Bosna will be proclaimed, its parliament and president elected, and the stands on the Geneva talks until now and in the future adopted, especially the ones on the proposed maps.

UN Convoy Blocked by Muslims in Mostar

LD2608232093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 26 Aug 93

[Text] UNPROFOR's [UN Protection Forces] convoy delivering humanitarian aid to east Mostar last night has still not left the city.

As we already reported, the convoy was stopped by the citizens of Mostar as protection against a major offensive that, judging by the amassing of Croatian Army and Croatian Defense Council [HVO] troops and the concentration of heavy artillery, is being prepared against the part of town under the control of the Bosnia-Herzegovina Army.

HVO terrorists last night carried out a sabotage operation on the Mostar hydro-electric power station, releasing a torrent of water that swept away improvised bridges on the Neretva and destroyed water pumps that supplied the thirsty population with drinking water.

All this is being construed as a preparation for an offensive that has not taken place yet only because of the presence of witnesses from the international community who were expelled from the town more than two months ago. Therefore, the citizens are demanding that UNPROFOR and other UN bodies, as well as the International Red Cross, remain in Mostar because nobody ever wanted to get rid of them and they are always welcome.

Members of Mostar's war presidency and representatives of the 4th Corps agreed this afternoon with Mr. Thornberry and representatives of the UNHCR that they will try to reach an agreement with the people at the barricades to let most of the convoy through, while the remaining part—including the military observers—will remain in Mostar. It remains to be seen whether they will

succeed in this, but they will certainly do all they can to find a compromise solution to this problem because the forced stay of the convoy can only result in damage and the weakening of the world community's support for the threatened Muslim people. A demand to this effect was made to the members of Mostar's war presidency and the 4th Corps today by President of Bosnia-Herzegovina Alija Izetbegovic, who appealed for reason to prevail and that the UNPROFOR convoy be let through. We hope that this will also be accepted by the citizens of Mostar who are awaiting nightfall with apprehension and wariness because HVO terrorists are screaming through bullhorns: Alijas [plural of Alija Izetbegovic's first name], you will pay for this as soon as UNPROFOR leaves Mostar. For this reason, the people's decision on the convoy's passage is all the more complex and difficult to make.

UN, Muslims Reach Agreement

LD2608174293 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 26 Aug 93

[Text] According to the latest reports, negotiations between UNPROFOR [UN Protection Forces] Deputy Commander Cedric Thornberry and the UNHCR representative with the Muslim civilian and military authorities in Mostar have been successfully completed, the Zagreb UNHCR office announced. After five hours of negotiations, an agreement was reached to allow trucks carrying humanitarian aid to leave freely from the eastern side of the town under Muslim supervision.

UNPROFOR Expects Resolution

AU2708114393 Paris AFP in English 1130 GMT 27 Aug 93

[Text] Geneva, Aug 27 (AFP)—U.N. and Moslem authorities were hopeful of reaching a compromise Friday [27 August] to allow an aid convoy blocked by frightened civilians to leave the besieged southern Bosnian city of Mostar, the U.N. reported. "I think there is good faith on all sides. I don't think it will be a problem for too much longer," said Silvana Foa, a spokeswoman here for the U.N. High Commissioner for Refugees (UNHCR).

Women and children had continued Friday to hold back the 19-truck convoy in the Moslem sector of the city for fear its departure would expose them to a new wave of mortar attacks by Bosnian Croat forces.

The convoy delivered some 200 tonnes of food to the sector early Thursday.

Foa added there was a question of "trying to do a medical evacuation" from the sector, where some 55,000 trapped and starving Moslems have been besieged by Croat forces since June.

Such an evacuation would be beset by logistical problem, Foa said, adding that the UNHCR "would prefer to have a smooth-running operation before we start loading wounded people."

The civilian population has also called for a contingent from the UNHCR or the U.N. Protection Force (UNPROFOR) to remain behind as a security measure.

There have been no indications whether this request can be met.

The UNHCR spokeswoman added that she understood the demonstrators' fears. "This is not the first time that people have surrounded the U.N. trucks and asked (us) to stay," she said, adding that the UNHCR had no intention of "walking out" and would be returning to the city.

Foa's conciliatory tones contrasted with comments Thursday by aid convoy officials, who said they had been "taken hostage" by Mostar's Moslem population, which was making no attempts to hide its anger.

The demonstrators encircled the convoy Thursday, setting up barricades around the trucks and accompanying armoured cars to keep them from leaving.

U.S. and French military planes dropped some 55 tonnes of food over Mostar and several other central Bosnian cities early Friday, the German Army announced in Frankfurt.

The third airdrop over Mostar in three days was carried out by six U.S. C-130 transport planes and a French Transall.

Meanwhile the Bosnian Serb Srna news agency reported continuing fighting Friday between Serbian and mainly-Moslem Bosnian forces near the southern town of Trebinje, the eastern towns of Bratunac and Srebrenica and in the northern frontline zone around Doboj, Maglaj, Teslic and Zavidovici.

Croat Official Disputes Number of Muslims in Enclave

LD2608194993 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 26 Aug 93

[Text] Darinko Tadic, head of the office for refugees and expelled persons of the Croatian community of Herceg-Bosna, protested today about misleading articles in the press that say that 55,000 Muslims are expecting humanitarian aid on the left bank of the Neretva [river] in Mostar.

This is not true, because the number of Muslims on the left bank of the Neretva in Mostar does not exceed 15,000. That is why we are protesting against those who are publishing falsehoods about the true state of affairs, Darinko Tadic said.

He underlined that it is being ignored that 70-80,000 Muslims and Croats are living side by side on the right bank of the Neretva in Mostar under the control of the Croatian Defense Council.

Three Civilians Killed in Shelling of Mostar

AU2708092893

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 27 August gives the following account of the situation in the Republic overnight and this morning:

A report by the Press Service of the 3d Corps says that "although with abated intensity" the "Serbo-Montenegrin aggressor and the extremists of the Croatian Defense Council [HVO]" continued their attacks in the zone of responsibility of the 3d Corps. On Zavidovici front, "the united aggressor stepped up the intensity of attacks in the last 24 hours," the report continues, adding that Zavidovici, Tursici, Mecevic, Dol, Lovnina, Hajdarevici, and Mahovici were targeted by "mortars of all calibers," Bofors guns, and antiaircraft and infantry arms. As it is reported, "the aggressor continues to bring fresh troops and military hardware via the pontoon bridge in (?Gobarice)." The report accounts for sporadic shelling and infantry arms' fire from the Kladanj area. It is also reported that "the HVO extremist units" fired "several tens" of bombs at the villages in the Vitez commune.

Mirudin Aldobasic reports that "the enemy continues to exhibit provocations in the valley of the Bosna river and Usora river," while "destruction of civilian quarters would not stop in the Dobo area either." As he reports, this was the case in the course of night and early this morning, while "the enemy has tried to start forest fires by incendiary ammunition" in the region of Ularice and Albegovci. "The positions of Dobo defenders" have been shelled this morning, Aldobasic says, especially in the region of (?Kladuse) and Putnikovo Brdo.

Velid Djindjo reports that the Olovo front was characterized by "provocations from antiaircraft machine guns, antiaircraft guns, and infantry arms" yesterday. "There have been no major artillery activities," Djindjo says, adding that "the night passed without active combat activities," while there has been "sporadic tank and artillery fire" at the defense lines this morning.

A dispatch from the Mostar Press Center reports that "the artillery of the Croatian Army and the HVO, positioned in the hills" west of the town, between 0500 GMT and 0530 GMT this morning "attacked a residential quarter of Mostar with some (760) tanks grenades." As it is reported, three civilians were killed in their homes, while several people were injured.

Bosnians Admit Wounding French Officer on IgmanAU2608121893 Paris AFP in English 1140 GMT
26 Aug 93

[Text] Zagreb, Aug 26 (AFP)—Bosnian government forces admitted firing on a unit of French troops and seriously wounding their commander, a spokesman for the UN Protection Force (UNPROFOR) said in a statement here Friday [26 August].

Captain Georges Jacono, the commander of the French marine infantry unit, was hit in the spleen and lung when the troops of the mainly-Moslem Bosnian Army opened fire Wednesday on Mount Igman overlooking Sarajevo.

The French unit returned fire, inflicting "unknown losses" on their attackers, the spokesman said.

After undergoing an operation in Sarajevo, Jacono was flown to a hospital in France, where his condition was described as satisfactory, said Henri Bore, the head of the French contingent in the Bosnian capital.

Bore had said Wednesday that his men returned fire after being targeted with automatic weapons in what he called a deliberate attack, wounding a Bosnian officer in the leg.

The UN troops forced the Bosnians to retreat, the UNPROFOR spokesman said.

The Bosnian forces acknowledged the clash "as reported by UNPROFOR," but said the attack had been launched in error, the spokesman added.

Kofi Annan, UN under-secretary general in charge of peacekeeping operations, expressed grave concern at the Bosnian attack, the spokesman added.

Mount Igman, a strategic height overlooking Sarajevo, was ceded to UN control earlier this month by Bosnian Serb forces.

The Serbs captured the mountain at the beginning of August, thereby encircling the capital and cutting off the Bosnians' last supply route into the city.

Agreement Reached on Sarajevo Evacuation PlanLD2608203593 Belgrade TANJUG Domestic Service in
Serbo-Croatian 1950 GMT 26 Aug 93

[Text] Pale, 26 Aug (TANJUG)—An agreement was reached at Sarajevo airport today on the evacuation of 1,400 citizens from Sarajevo, TANJUG learned from the press center of the Sarajevo-Romanija Corps this evening.

The evacuation of citizens, regardless of their nationality, should start at the beginning of next week: 700 civilians are expected to be evacuated in the direction of Lukavica, and from there to Serbia, and the other 700 in the direction of Kiseljak and Split.

The Serbian side reportedly accepted a route proposed by the Muslim side, and guaranteed safe passage.

The Croatian commission's representative did not take part in today's agreement, but the Croats also guaranteed safe passage and offered 12 buses for the transportation of passengers toward all destinations.

On behalf of the Serb and Muslim sides the agreement was accepted by Miomir Pravic and Hajrudin Smajic, representatives of the commissions for the (?evacuation) of citizens.

Military Groups To Meet 30 August

LD2608213793 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 26 Aug 93

[Text] Speaking on his return from Knin this evening, Knut Vollebaek, assistant to the cochairmen of the international peace conference on former Yugoslavia, announced that both sides had accepted the suggestion for a meeting of the military groups to be held on Monday [30 August]. The meeting will be to discuss technical matters relating to implementing the cease-fire agreement in Croatia. He said that it was still not known where the meeting was to be held, but in principle it should be in one of the neighboring countries. Vollebaek did not wish to specify whether this will be in Vienna or Budapest. The meeting would be chaired by the Swedish General Bo Pellnaes, head of the UN military observers.

All in all, Vollebaek appraises the latest round of negotiations between Zagreb and Knin to have been rather more positive than the preceding one, and mentions that some shifts have taken place. Both sides now accept the draft plan put forward in Geneva as a subject for negotiations. I would say that this is the first time that we have arrived at something on which both sides agree, Vollebaek added. If we get to an agreement, I think we shall be able to go further, Vollebaek stated at Zagreb airport on departure for Geneva.

Serbs Accuse Croats of Dumping Radioactive Waste

LD2508224093 Belgrade TANJUG in English 2231 GMT 25 Aug 93

[Text] Knin, Serb Krajina, Aug 25 (TANJUG)—The foreign minister of the Republic of Serb Krajina

(R.S.K.), Slobodan Jarcevic, said on Wednesday [25 August] that Croatia was dumping radioactive waste in the U.N.-protected western Slavonija region.

Jarcevic conveyed the information to U.N. Undersecretary for Peace-keeping Operations Kofi Annan, who was visiting Knin, accompanied by the commander of the U.N. Protection Force (UNPROFOR) in former Yugoslavia, French General Jean Cot. Annan conferred with the R.S.K.'s military and civilian authorities about the peace process and the situation in the U.N. protected areas (UNPA's).

He was informed that Croatia had driven the indigenous Serbs from the western Slavonija region, depopulating more than a hundred villages.

We informed Annan that UNPROFOR troops are also deployed in the area and that the R.S.K. has sent to the U.N. Security Council and Secretary General Butrus Butrus-Ghali original documents which prove that radioactive materials are being dumped in the area, but has received no reply, Jarcevic told a press conference.

We pointed out that there is a danger the peacekeepers might be eradicated [as received].

He said the R.S.K. had asked for measuring the level of radioactivity in the area and comparing it with the figures for 1991, when Croatia violently seceded from Yugoslavia, forcing the local Serbs to declare their own state in the areas within the administratively drawn communist-era borders of Croatia where they are the majority population.

Peterle: Talks With Andreatta 'Very Productive'

AU2708081593 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 26 Aug 93

[Excerpt] A one-day working visit by Italian Foreign Minister Beniamino Andreatta to Slovenia ended this afternoon. He and [Slovene] Foreign Minister Peterle discussed all significant issues in political and economic relations. They paid particular attention to the minority issue. Zvone Zorko reports:

[Begin recording] [Peterle] I greet Mr. Minister with great joy. I am happy about this visit, which was friendly, very productive, and also very constructive. Despite the short time, we examined numerous bilateral issues, be it minority issues, economic issues, or other issues.

Let me say that we have overcome the issue of borders, which some had wished to perceive as an affair without any problems. We also discussed some multilateral issues, especially Slovene membership in the EC and its integration into the European security system. Both sides gave various assurances concerning future steps in the resolution of mutual relations. I must add that certain details and individual issues will be examined by the commissions that have already been formed or are about to be formed.

[Zorko] With these words Slovene Foreign Minister Lojze Peterle opened a news conference held after the talks with Italian Foreign Minister Beniamino Andreatta, emphasizing the basic characteristic of these talks, which is, that the talks were constructive, very productive, and open. Within this framework and bearing in

mind the positive results of the recent meeting in Strmol, the ministers decided for an early start of the work of mixed commissions and groups that have been formed to strengthen and modernize bilateral cooperation, and particularly, to take care of the preparation of the legal bases for future cooperation and to discuss priority issues. One such priority issue is the realization of the Milan-Ljubljana-Kiev communication route, that is, the Trieste-Budapest link, to be precise.

As could be expected, both ministers discussed in great detail the open issues concerning the Italian minority in Slovenia, and especially the Slovene minority in Italy, whose positions has recently deteriorated, objectively speaking, due to some new measures by the Italian Government. Italian Foreign Minister Andreatta, among other things, promised to make a personal effort to accelerate the preparation of the new minority legislation, and primarily, to bridge the problems that will emerge in the financing of the Slovene minority once the finance law for 1993 expires. As the Italian Foreign Minister said, in our talks we did not conceal the complexity of the minorities' problem. We concluded that it must be resolved with great patience.

The Italian foreign minister further stressed that Italy understands and gives its resolute support to Slovenia drawing nearer to European institutions, especially the EC, the WEU [West European Union], and also NATO.

Regarding the border issue, it has been agreed that regular meetings of both interior ministries will take place in the future, and individual measures will be agreed in advance. [passage omitted] [end recording]

Federal

Army Chief Panic, 42 Generals Replaced

LD2608132893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1231 GMT 26 Aug 93

[Text] Belgrade, 26 Aug (TANJUG)—The Supreme Defense Council, chaired by Zoran Lilic, president of the Federal Republic of Yugoslavia, has appointed Lieutenant Colonel General Momcilo Perisic new commander of the General Staff of the Yugoslav Army, the military office of the Yugoslav president stated today.

General Perisic was previously the commander of the third corps of the Yugoslav Army.

The active military service of the former commander of the general staff of the Yugoslav Army, Zivota Panic, has ceased.

Under a decision by the Supreme Defense Council, the active military service of 42 generals of the Yugoslav Army has ceased.

Retired Officers Listed

LD2608193893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1325 GMT 26 Aug 93

[Text] Belgrade, 26 Aug (TANJUG)—By decision of the Supreme Defense Council, the new chief of general staff of the Yugoslav Army is Lieutenant Colonel General Momcilo Perisic, the Military Office of the president of the Federal Republic of Yugoslavia announced today.

Colonel General Zivota Panic, hitherto chief of general staff of the Yugoslav Army has been retired from active military service.

The Supreme Defense Council also passed a decision retiring 42 generals of the Yugoslav Army from active military service.

The full text of the statement from the Supreme Defense Council meeting is as follows:

"A meeting of the Supreme Defense Council was held in Belgrade on 23 and 25 August [dates as received], chaired by Zoran Lilic, president of the Federal Republic of Yugoslavia. Dr Radoje Kontic, president of the federal government, Pavle Bulatovic, federal minister for defense, and Colonel General Zivota Panic, chief of general staff of the Yugoslav Army took part in the meeting, in addition to the members of the Supreme Defense Council, President Slobodan Milosevic of Serbia, and President Momir Bulatovic of Montenegro.

The Supreme Defense Council examined issues of importance for the organization and development of the Yugoslav Army, in particular the issue of cadres holding the rank of general. In accordance with decisions previously ratified to include in the overall activity of transforming the Yugoslav Army the renewal of cadres holding the rank of general, and for younger generals to

be appointed, the Supreme Defense Council made the decision to retire 42 generals and admirals of the Yugoslav Army from active military service.

The Supreme Defense Council's decision ends the active military service of the following officers:

a. Colonel generals: Zivota Panic, Dragoljub Simonovic, Bozidar Stevanovic, Pavle Strugar, Vladimir Stojanovic, and Nikola Uzelac;

b. Lieutenant colonel generals: Ljubomir Domazetovic, Vladimir Vojvodic, Dane Ajdukovic, Dragoljub Arandjelovic, Milorad Dragojevic, Aleksandar Radovic, Andrija Biorcevic, Radomir Eremija, Nikodin Jovanovic, Zoran Stojkovic, Vladan Sljivic, Radovan Radinovic, and Vice Admiral Nikola Ercegovic;

c. Major generals: Veljko Antunovic, Ljubomir Bajic, Dimitrije Baucal, Vladimir Boljevic, Svetozar Carevic, Branko Cadjo, Sreten Cupic, Jovan Damjanovic, Krsman Milosevic, Milan Nedeljkovic, Dragoljub Perisic, Stanimir Peric, Miloslav Radmanovic, Tomislav Sipic, Risto Zerajic, Dusan Zunic, Jovan Elemirov, Milan Zaklan, Miladin Mojsilovic, Milorad Terzic, Slobodan Djordjevic, Dusan Kasun, and Rear Admiral Milosav Simic.

Under the decision of the Supreme Defense Council, Lieutenant Colonel General Momcilo Perisic, currently the commander of the Third Army of the Yugoslav Army, has been appointed chief of general staff of the Yugoslav Army.

Biography of New Army Chief

AU2708093493 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 26 Aug 93

[Text] Lieutenant Colonel General Momcilo Perisic was born on 22 May 1944 in the village of Kostunici near Gornji Milanovac. He is a Serb. He completed his high school education in Cacak. He graduated from the Military Academy for Ground Troops, Artillery branch [Vojna Akademija Kopnene Vojske, rod Artiljerija], and the highest military schools in the Yugoslav People's Army and the Yugoslav Army. He also holds a degree in psychology.

During his active military service he was transferred 15 times. The war found him in the post of commander of the Artillery Education Center in Zadar. His rank was colonel. After the successfully executed removal of the blockade and withdrawal from Zadar, he was appointed commander of the Bileca Corps. He has been successful in carrying out his duties as headquarters commander [Nacelnik staba]. From April 1993 until he was appointed to his present post, Perisic held the post of commander of the 3d Army.

He has been decorated with a number of peacetime and wartime decorations and awards. He is married and has two sons.

Perisic on Appointment

AU2608201493 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 26 Aug 93

[Text] In his first statement to journalists, Lieutenant General Momcilo Perisic, chief of the General Staff of the Yugoslav Army, stressed that one of the most important tasks for him is the transformation of the Yugoslav Army and a high level of professionalism. Here is a report by Milovan Drecun on what else Gen. Perisic said:

[Begin recording] [Perisic] I am assuming the duty of the chief of the General Staff of the Yugoslav Army under extremely complex conditions and am taking it over from people who have devoted a part of their lives into the building and particularly the transformation of the Yugoslav Army. I am going to try to follow in their footsteps with a view to bringing as soon as possible the Army to a level that would ensure a secure and efficient performance of all its tasks with stress placed above all on professionalism, as well as on improving its reputation, which has been unjustifiably undermined for many reasons.

[Drecun] In reply to our question of whether the pensioning off of this group of generals is the implementation of the announcement to rejuvenate the staff as a whole, the newly appointed chief of the General Staff of the Yugoslav Army, Lt. Gen. Momcilo Perisic said the following:

[Perisic] I think that the pensioning off of the large number of generals in fact stems from the fact that they achieved the conditions for their retirement and one naturally must rejuvenate cadres. Therefore, this is a normal, continuous process without any special influences. Second, the most important task that I and my associates have is to carry out the transformation of the Yugoslav Army as soon as possible in the spirit of a framework already set down, that is, to ensure a high level of professionalism, to ensure the basic prerequisites for the functioning of the military organization, so that the ultimate effects and quality of the units' work should be a real reflection of the Army's total combat value. This is all the more so as the complex international situation and the situation in the country compels us to continue the already commenced transformation of the Yugoslav Army. [end recording]

Budget Approved; 75 Percent Earmarked for Army
LD2608180293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1442 GMT 26 Aug 93

[Text] Belgrade, 26 August (TANJUG)—At separate extraordinary sessions the Chamber of Citizens and the Chamber of Republics of the Yugoslav Assembly today approved the new Federal budget amounting to, as proposed by the Federal Government, 155.9 quadrillion [milijard milijardi—currency not specified].

Most of the budget, around 75 percent, has been earmarked for the financing of the Yugoslav Army, while

the rest will be spent on the work of the Federal bodies, the invalids' and war veterans' welfare, subsidies to the economy and other expenditures.

Most of the budget (60 percent) will be provided from the turnover tax and customs duty; 30 percent from loans from the National Bank of Yugoslavia, and 10 percent from security sales.

Bank Governor's Measures Unlawful

93BA1367A Belgrade BORBA in Serbo-Croatian 3 Aug 93 p 12

[Article by B. Stepanovic: "The Governor Is Subject to the Criminal Law"]

[Text] Currency exchange offices and private savings banks have been closed (temporarily), and the buying of foreign exchange with account money has been stopped. Dabim Banka is formally doing business, but actually it is not paying out money, the black market is operating at full force, the mark is regularly jumping up, while Serbian Prime Minister Nikola Sainovic is declaring that "monetary authority has finally be instituted, and the new governor of the NBJ [National Bank of Yugoslavia], Borislav Atanackovic, has in two days issued more regulations than the previous government in the previous 10 months."

What Prime Minister Sainovic attributes to Atanackovic's credit—the shutting down of about 1,400 currency exchange offices and other financial organizations, is interpreted by the lawyer Milenko Radic as a violation of current laws:

"Governor Borislav Atanackovic has in this most recent prohibition of the operation of currency exchange offices committed the crime of malfeasance under Article 174 of the FRY [Federal Republic of Yugoslavia] Criminal Code, which provides a prison sentence of five years, because he has violated the legal and constitutional rights of financial organizations, thereby inflicting considerable damage on them," Radic said in a letter which he sent to republic Prime Minister Nikola Sainovic on behalf of the Fund for Development of Democracy.

The Law on the NBJ and the Law on Settlement and Financial Transactions envisage that only after financial organizations have been inspected can certain measures be taken by the NBJ. The governor, however, has prohibited the operation of about 1,400 financial organizations without any sort of prior audit, requiring them to seek and pay on their own for an audit, because otherwise they will be liquidated and removed from the court register. It is also incomprehensible, Radic says, for the governor to issue a regulation requiring the NBJ, that is, the institution which he himself heads, to revoke the operating permit of any organization if it does not submit a request for an audit within 15 days.

The governor, Radic says, could also go to prison on another basis if by some chance the law should be enforced: The supplement to the Law on Foreign Exchange Transactions,

dated 22 August 1992, states in Article 1: "Whoever purchases or sells foreign exchange in the amount of the dinar equivalent of \$1,000 will be subject to a prison sentence not to exceed three years." That provision of the law punishes both the perpetrator and also the person who has helped him to commit the crime. Borislav Atanackovic, says the lawyer Radic, helped Dafina Milanovic in committing this crime by granting dinar loans to Dafiment Banka on several occasions, because he could have known that the money received would be used to buy foreign exchange on the black market, because she had foreign exchange obligations to savings depositors, but she had no sources of foreign exchange.

"According to my figures, the National Bank of Serbia granted the first loan of 2.5 billion dinars to Dafiment Banka on 10 February of this year. At that time, the official exchange rate which the bank honored was 450 dinars for a German mark, which amounts to about 5.5 million marks [DM], while on the black market it would have been DM400,000. A day later, that is, on 11 February, Dafiment Banka was granted a new loan of 3.5 billion dinars, and then on 6 May of this year, according to a statement by Governor Atanackovic himself, that bank was granted a loan of 500 billion dinars, or DM6.25 million marks, at the exchange rate on the black market to 'straighten out its affairs.' The operation of the dealers was directly facilitated in that way," says lawyer Radic.

Although even today it is not clear how many depositors Dafiment Banka had, Atanackovic declares that "for us in the National Bank of Serbia, the most important thing is to help that bank, which has about five million depositors and 18 million contracts on dinar and foreign exchange savings, to recover, get on its feet, and for the public to get not only the principal, but also the interest." These statements were made immediately after the National Bank proposed on the initiative of Milenko Radic that before proceedings of auditing the operation of the bank were completed, all personnel of the bank responsible for its operation should be suspended because of the established irregularities.

This bank, as is well-known, has still not yielded the "first visible results," and on 29 July the deadline passed by which the governor was under the law supposed to initiate either bankruptcy or liquidation of the bank. Instead, Radic says, he issues a decision quite arbitrarily closing down currency exchange offices, which before his eyes, as the person principally responsible for the financial situation in Serbia, they operated unhindered for a year, without any kind of auditing.

Interplast Trejd Banka Accounts Blocked

93BA1367G Belgrade POLITIKA in Serbo-Croatian
1 Aug 93 p 8

[Article by B.D.: "The Account of Interplast Trejd Banka Blocked"]

[Text] Yesterday, the Settlement Agency blocked the giro account of Interplast Trejd Banka from 0800 to 1300

hours. All in-payments and out-payments were stopped, according to Dragan Petrovic, that bank's counsel, without any decision whatsoever.

He says that yesterday at 0800 hours Zarija Martinovic, director of the Yugoslav Settlement Agency, went personally to the Zemun Settlement Agency at 0800 hours and demanded that the accounts of the bank be blocked, promising that by 1000 hours the decision would arrive that would justify his verbal order. The director of the Zemun Settlement Agency promised me that he would allow the bank to operate if the decision does not arrive by 1300 hours, which in fact occurred, Mr. Petrovic said.

Private Firms Involved in Iron Black Market

93BA1363E Belgrade POLITIKA in Serbo-Croatian
28 Jul 93 p 12

[Article by V. Jocovic: "Private Firms Are 'Skimming Off the Cream'"]

[Text] Niksic, 27 Jul—We have learned from the republic financial police in Niksic that many people are trying to profit in the iron trade with the Niksic Steel Mill. The private firms Rondo, Mig Komerc, Atlas, Igostil, Tri M, and Kocanitred are just some of the 60 firms from Niksic who in the last six months have paid the steel mill exclusively in cash and foreign exchange for the iron they have purchased and then resold. Those transactions did not go through giro accounts, nor are they indicated on business books. Thus, the owners of these firms, some of whom are former employees of the steel mill, have been trying to evade payment of the turnover tax, which, according to Ljubinko Markovic, chief of the financial police in Niksic, has deprived the government of more than 2 million German marks.

The Niksic Steel Mill has not been selling iron only to customers from this city, but also to many other firms all over Montenegro and Serbia. They have all managed to "lick their fingers in handling the honey" hard-earned in the plants of the steel mill, which nevertheless, with the "blessing" of the Montenegrin Government, has been trying to preserve the value of its products and the interest of its workers by selling iron to private operators for foreign exchange. Many private firms did not even need a giro account in the SDK [Social Accounting Service], because in certain banks, regardless of legal regulations, they were enabled to make payments in foreign exchange for goods, which in the context of the enormously high rate of inflation and monetary chaos, has become customary. That is how it has been done by the enterprise Unikrom of Belgrade, which has its representative office in Niksic, and also Tipotrejd, also from Niksic. According to official figures, the steel mill can also be billed for the turnover tax, which, according to Chief Markovic, it attempted to conceal, because in its

giro account an inspection did not find any payments for the iron that was paid for. Customers outside Niksic, then, will be checked again.

It remains to be seen whether criminal charges will be filed against these firms or whether the slogan "people have to get along," which we have heard even in the police, will become the law.

DSS Leader Kostunica on Relations in Federation
93BA1367D Belgrade POLITIKA in Serbo-Croatian
30 Jul 93 p 7

[Article by Djordje Martić. "Kostunica: The State Should Be a Reliable Support for All Serbs"]

[Text] Following a number of independent foreign policy moves by Montenegro, the recent disagreements over the export of goods from Serbia to the other Yugoslav federal unit, and the fact that the initiative for establishing an independent news agency went into parliamentary procedure in Podgorica have logically raised the question of relations in the federation.

Our informant on this topic is Dr. Vojislav Kostunica, leader of the Democratic Party of Serbia [DSS]. He recently signed a joint declaration on behalf of his party with Dr. Novak Kilibarda, leader of the People's Party [NS] of Montenegro, concerning a new definition of relations between Serbia and Montenegro in the joint state and with the Serbian people outside the boundaries of the present Yugoslav federation.

"The dangers in relations between Serbia and Montenegro are contained in the possibility that sporadic conflicts will grow into a kind of permanent constitutional crisis that is inevitable if Montenegro is forced to seek a way out outside the joint state," Kostunica says. He adds that what he means here is that "the only fully articulated attitude of this kind is in the Liberal Alliance of Montenegro and the parties of the ethnic minorities there, but there is also a similar attitude in a more moderate and disguised form in the incumbent party of Montenegro, the Democratic Party of Socialists [DPS]." According to Kostunica, this attitude in the Montenegrin DPS is most obvious in certain statements concerning foreign policy, but also in certain actions of the Montenegrin Foreign Ministry.

The Declaration of the Two Parties

Asked about the roots of the tensions which afford grounds for talking about possible jeopardy to the joint state, Kostunica said that relations in the Federal Republic of Yugoslavia are burdened in two ways.

"The germs of a potential disintegration of even this Yugoslavia lie in past development and relations in the other, communist Yugoslavia, but also in the current Zabljak constitution," Kostunica says. He believes that this is a case of a chronic crisis brought about by political and institutional reasons. That is why the People's Party

of Montenegro and the Democratic Party of Serbia have presented their demand that relations between these two historic states of the Serbian people be defined in a completely new way. That is the basic topic of the declaration of the two parties.

"Relations between Serbia and Montenegro must be regulated in a new way, but so that consideration is paid at the same time to the Serbs who have remained outside the present Yugoslavia. That is why the declaration of the DSS and NS of Montenegro also represents a broader view of the Serbian national problem," Kostunica said. "The Serbian national problem cannot be solved without creating a strong joint state of Serbia and Montenegro that would be a point of support for all Serbs on the lands of the former Yugoslavia. The importance of relations between Serbia and Montenegro can be compared to the importance of relations between Serbs and Croats in the former SFRY [Socialist Federal Republic of Yugoslavia]," Kostunica says. The permanence of that state can be guaranteed only if relations in it are regulated in a new way.

A sufficiently reliable point of support for the Serbs who have remained on the left bank of the Drina can be created, in Kostunica's opinion, only through a decisive break with the SFRY and the FRY [Federal Republic of Yugoslavia] on the right bank of that river, and that through a referendum in which the citizens would say whether they want to live in the joint state and by convening a constitutional assembly. That session would discuss all the issues of the arrangement of the future state, and decisions would be made without majority dominance, that is, by a majority that would be separately established both among the Serbian deputies and among the Montenegrin deputies. Kostunica is convinced that in the referendum the citizens would certainly cast their vote for the joint state.

The problematical nature of relations in the FRY, in Kostunica's opinion, cannot but have an impact on its relations with the Serbs in Bosnia and Krajina.

"The recent difference in views of Radovan Karadzic and Radmilo Bogdanovic over whether to postpone the Geneva talks until fall or resume them immediately is most probably the consequence of a tactical move by the leader of the Bosnian Serbs, but there certainly are differences in views between the Socialist Party of Serbia [SPS] and the Serbian Democratic Party [SDS] from the Srpska republic," Kostunica says. He cites the example of the serious difference at the time of the discussion of the Vance-Owen plan for Bosnia and Herzegovina. Be that as it may, the Democratic Party of Serbia has ambitions like certain other parties in Serbia to extend over the Drina, and such a political position makes it possible for the DSS to conduct a much more principled national policy toward the Serbs in Bosnia and Herzegovina and in Krajina.

In answer to the question of whether this is the root of disagreements within the opposition in Serbia and how

he would comment on the fact that today the DSS has a firmer alliance with the People's Party of Montenegro than with any other party in Serbia, Kostunica said:

"At the time of the creation of DEPOS [Democratic Movement of Serbia], and especially during the election campaign in the fall of 1992, there was talk about certain aspects of the national program of this movement, but that project was never completed." Kostunica adds that preference at that moment was given to the fight for democratic political changes, but the course of the election and the results demonstrated that no serious party or election coalition, neither now nor in the future, can count on any considerable political success in these parts unless it has a balanced democratic and national policy in its orientation.

"After the election, the DSS rightly devoted great attention to both aspects of party policy (and to a third, social welfare), and I did not notice that there was the same kind of interest in the other member parties of DEPOS, I am thinking above all of the SPO [Serbian Renewal Movement]," Kostunica says. "What is more, when the various members of DEPOS, the SPO above all, articulated that national interest, great differences were manifested between the DSS and SPO," Kostunica mentioned. He added in this connection that the best examples in this regard are the differences in assessments of the Vance-Owen plan and the recently opposed views of the parties concerning a possible protectorate of the international community over Bosnia.

Kostunica also answered a question which in the end logically imposes itself—What is the capability of current coalitions and are any new ones on the horizon? He said that the parties in the broader territory of Serbia and Montenegro will be oriented toward various firm or loose forms of cooperation. The reference is to parties which look similarly on the issues of democratic and national policy.

New Alliances

"If DEPOS has at this moment been reduced only to the name of an election slate and occasional joint activity of the parties in DEPOS at the local level, then in a broader view a new political alliance has already been born between the People's Party of Montenegro and the Democratic Party of Serbia," Kostunica believes. "When elections come, we do not preclude the possibility that this alliance might be joined by certain other parties of similar views concerning the issues of democracy, the national interest, or seeking a way out of the social welfare catastrophe."

Asked to say something more about the criteria to be used in seeking political allies and what all of that could mean under circumstances in which the Radicals are announcing a crisis of the government, indeed even of the parliament, Kostunica says that the DSS sees allies in political parties which in many respects have a similar political program and in that sense the alliance between the DSS and the People's Party of Montenegro is indisputable.

"Aside from that, deputies of the DSS in the republic Assembly will decide according to the question which is on the agenda," Kostunica was categorical. "Whenever a question of confidence is put in the present Socialist government, the DSS deputies will always vote for its removal regardless of whether the Serbian Radical Party or anyone else takes the same point of view."

"The DSS looks in the same way on the immense and unjustified government expenditures of the present government," Kostunica said, adding that even though his party is not in the federal parliament, it "cannot find a single valid reason why the deputies of the opposition parties should vote for the federal budget."

Serbia

Milosevic, UN Official Discuss UNPROFOR Mandate

LD2608225393 Belgrade TANJUG in English 2241
GMT 26 Aug 93

[Text] Belgrade, Aug 26 (TANJUG)—President of the Yugoslav Republic of Serbia Slobodan Milosevic on Thursday evening met with U.N. under-secretary for peace operations Kaffi Annan for talks on the mandate of the U.N. Protection Force (UNPROFOR) in ex-Yugoslavia and difficulties encountered by the U.N. peace-keepers in war-torn areas, the office of the Serbian president said in a statement.

Annan has just completed a several-day tour of the areas in former Yugoslavia where UNPROFOR troops are deployed, during which he urged greater cooperation with the U.N.

Milosevic said that the presence of U.N. peace-keepers in many areas of conflict mostly had a positive effect and that they had largely contributed to maintaining truce and ending confrontations. Their positive role is not diminished by the fact that some UNPROFOR units have not remained true to their unbiased role on the ground, the statement said.

The Serbian president said that, in view of UNPROFOR's role so far, it would be logical for the sides still engaged in armed conflict to show trust and responsibility towards the U.N. peace-keepers because their sole task is to maintain peace and not to define political solutions or draw borders.

Such mission of UNPROFOR in the territory of former Yugoslavia will continue to be supported by the Republic of Serbia, the statement added.

The U.N. troops were deployed in war-torn areas in former Yugoslavia in April 1992. The force now has over 25,000 people.

Editorial Condemns Seselj, Mladic as 'Lunatics'*AU2608131593 Belgrade SRPSKA REC in
Serbo-Croatian 16-30 Aug 93 p 5*

[Editorial by Bogoljub Pejic: "The Temple of Lunatics"]

[Text] Sarajevo is besieged and lying within the gunsights of modern NATO weapons. Mr. Butrus Butrus-Ghali is probably holding his finger on the trigger with suspicion, signalling the possible beginning of operation "Bosnia," following General Mladic's summer march on Mount Igman. He is more and more ready to allow the Western allies—led by the nervous Bill Clinton, who is already fed up with Bosnia—to attack the Serbian troops. If the missiles start falling on the mountains around Sarajevo, this will not mean, as General Mladic and the warlord Seselj explain it, that the West wants to start a new war to the advantage of the Muslims. It will be a response to the heartless and arrogant behavior of Serbian leaders quarreling with the whole world, who in their irrational blindness cannot see the numerous victims and the enormous suffering of, primarily, their Serbian people. The question which must be asked is where is the end to the Serbian suffering, and can all Serbs be made responsible for the infantile behavior of several lunatics?

As usual, Seselj was the first one "to pull the cat by the tail" by improvising the lie about a piece of information he had allegedly received from the intelligence service that the attack on the UN forces in Sarajevo was organized by the CIA. Having realized by the agitated response from the West that the matter was serious, Seselj's friend Radovan Karadzic tried to moderate his statement by writing a letter to Butrus-Ghali, Bill Clinton, and other leaders, in which he made "irresponsible Serbian commanders" responsible for the shelling of the UN base, but he did not succeed in dispelling their gloomy impression of the "cynical" and "lying" Serbs.

At the time when the Western allies held consultations about an attack against Serbian positions, Seselj made a new, very inspiring provocation "that we might not shoot down many planes, but we shall not miss a single 'blue helmet'," by which he annulled Milosevic's Geneva statement in which he called everybody who would attack the UN Protection Forces a criminal. Everything was immediately clear: The warlord actually expressed Milosevic's thoughts.

The information that "blue helmets" would be exposed to retaliation in case of an air strike did not impress the NATO war analysts, it only made them even more pedantic in their preparation of an air strike, which will, reportedly, be carried out very quickly in order not to give the enemy the chance to treat UN soldiers as clay pigeons.

The Bosnian slaughterhouse, as the biggest gas chamber of the world, would be entering the final stage now also if there had been no announcement of the storm from the

West, because the continuation of the mutual devastation enhances the chances that even close relatives will kill each other. Every sixth child in Bosnia-Herzegovina is born from a mixed marriage. The family ties within mixed marriages make the number of "mixed people" four times bigger, and all of them are cutting each other's throats now.

Seselj's conviction that Serbs are ready to die all together for the aims of this war allegedly leads General Mladic to delirium. He despises the lives of other people; his donning of the sapka [traditional Serbian military headgear] hurts the national pride of the Serbs on the other side of the Drina River. According to Turin's LA STAMPA, this former Broz's colonel, obsessed with injustice, claims that the international community will lose the match with him and that "the Drina River will never be the border between Serbian states." The arrogant, post-Communist and orthodox Serb also claims that his favorite game is chess: "I am a player who always makes the first move. The others then play in the way I want them to play, and not in their way."

If the strongest Serbian trump card in Geneva is their assent to the union with the other two states in Bosnia-Herzegovina without insisting on getting unified with Serbia, Mladic's statement about the Drina River additionally upset Serbian negotiators because of the information from Brussels that a horrible tragedy, also affecting Serbia, was inevitably coming. What Milosevic and Karadzic achieve by their dragging-out tactics, Seselj cuts with a sharp sword, uttering imbecile screams that the Serbs will win against the whole world.

There is one more Serb on the other side, Colonel Jovan Divjak, deputy commander of the Muslim army, who in his state of insanity invites deterrent NATO weapons to pounce on "chetniks" and Serbs of all ideologies, no matter where they live.

The circle around the temple of lunatics is closing, there is no escape from it. The courage to get killed by a capitalist bomb today is big, but the insanity to die from hunger in socialism tomorrow is even bigger.

Electricity Costs To Increase 200-300 Percent*93BA1377D Belgrade POLITIKA in Serbo-Croatian
6 Aug 93 p 7*

[Article by M. Perovic: "Electricity 200 to 300 Percent More Expensive"]

[Text] In Serbia, in spite of the announcements that power rates will go up only once a month, electric power will soon be changing its price this month. That is, from what we have learned from reliable sources, in a meeting of the Managing Board of the EPS [Electric Power Industry of Serbia], scheduled for Monday, only nine days after the last rate increase, will again discuss new and higher electric power rates.

The percentage of the increase is not known at present, but it is assumed that families in Serbia will soon be paying between 200 and 300 percent more than now for electric power. The date of the rate increase is not known either, but, we have learned, the public can expect the new rates by mid-August.

By all appearances, the EPS will join in the proposal of the Electric Power Industry of Montenegro that joint criteria be used to adjust electric power rates twice a month.

The last electric power rate increase in Serbia, on 1 August, was 337 percent. At that time, the electric power rates paid by households in Serbia were higher than the power rates in Montenegro. However, just one day later, it has been announced by the Information Department of the Montenegrin Electric Power Industry, power for households in that republic became 616.8 percent more expensive. If Montenegrin power rates again pass those in Serbia, even though electric power rates in these two republics ought to be at approximately the same level, this has not been happening at all in the last two or three months [as published]. The race is continuing.

The last rate increase in Serbia signified only partial application of the joint criteria. That is, their strict application, in order to cover the most necessary production costs, would mean a rate increase of no less than 6.5-fold. Perhaps that will in fact occur if power rates in Serbia really do go up once again this month. Thus, the merry-go-round we are on is speeding up all the time.

Opposition on Economic Crime, Reforms

93BA1377A Belgrade POLITIKA in Serbo-Croatian
8 Aug 93 p 7

[Article by S. Bogdanovic: "Crime Is Running the Economy"]

[Text] It has taken the opposition parties in Serbia quite some time, first, to incorporate "a little bit of life," more accurately, economic parameters, into their programs and campaign declarations. But as soon as the experts they recruited did their part of the job, conditions in the country changed to such an extent under the pressure of the troubles of war and political troubles in general, that the "homework" well-done had become to evaluate properly. The plummeting of the standard of living and the productivity of enterprises, the flourishing of the black market and smuggling, and the influence of these antieconomic phenomena on official economic developments seem to have alerted the parties that they must react differently.

Some went seriously to work in drafting economic programs that contain a list of economic moves which should be made under these conditions of irrepressible impoverishment.

The Sanctions Are Not the Only Culprit

"Official figures were published recently to the effect that hyperinflation in June was 367 percent higher than in the previous month, and in July it was 431 percent higher. Taken together with the fact that we have 900,000 unemployed and over a million workers on mandatory leave, and that production and the level of services have dropped off drastically, the only valid demand is that both republic governments and the federal government must submit their resignations without delay," we were told by Mr. Misa Milosavljevic, coordinator of the drafting of the economic and social program of the Serbian Renewal Movement [SPO].

Our informant says that the incumbent regime must stop using frequent postponements in enactment of anti-inflation, social welfare, and stabilization programs, tiresome promises, and halfway solutions to the effect that our people should endure and are able to survive. At the same time, government television should get rid of certain economic experts who every day are notifying the people of negligible "successes" in certain segments of the economy, skirting around the disastrous overall results.

"In solving the acute economic problems, we should rely on our people in the diaspora and friends of our country abroad. The moves which would follow thereafter would yield results within a year, and they would be manifested in the area of larger production, employment, and solution of housing problems," Mr. Milosavljevic says. "The SPO will soon go public with a specific application of these ideas."

"Before any measures at all are taken, all political forces in Serbia must face the bitter fact that the country is on the edge when it comes to the economy and social welfare, because only a part of the present situation is the consequence of the economic sanctions," says Nebojsa Jankovic, a member of the Executive Committee of the Democratic Party of Serbia [DSS] and a deputy in the republic parliament. "The DSS believes political consensus is needed, more accurately, a social pact and general social agreement on the necessary measures of intervention. They would define the priorities in protecting the neediest social groups in the country, such as pensioners, the unemployed, and workers on mandatory leave. Radical economic surgery should be applied in eliminating the main cause of the present situation, and that is social ownership. Although under the Constitution 'equality of all forms of ownership' has been guaranteed here, it is clear that this is actually protection of social ownership, which has shown itself as an economic category to be completely uncompetitive on the free market, but has proven itself as a source of political power and party-oligarchy rule."

Our informant believes that along with the measures of intervention, which to some extent must be administrative, and therefore retrograde, the system must also be

changed and prepared for the moment after the sanctions are removed, so as to become part of the market developments of Europe as effectively as possible. The preconditions for all that is departure of the present federal and republic teams in power and, in the opinion of our informant, democratic elections as a political condemnation of the failure of the present government and system.

The Slogans About Privatization Have Become Stale

Because the Social Democratic Party of the Center [SDP(C)] advocates an economically modern and prosperous society of the West European Social-Democratic type, according to its leader, Cedomir Mirkovic, overcoming the present situation and achieving the desired model "can be accomplished by major economic and social reforms that would rely on a market economy, private ownership, and development of those sectors in which the Serbian and Yugoslav economy have comparative advantages over the rest of the world. Changes in the political and economic system should be made in a synchronized way, and development of the political aspect must be subordinated to development of the economic system, not the other way about, as has been the case in our country."

Although the SDP(C) advocates a modern market economy in which private ownership will be the basic form of ownership, the government must take over regulation of the market, because that would establish a stable framework for economic activity and would reduce opportunities for disruptions, crises, and slumps.

"The SDP is against the government's interference in the operation of the business firm, thereby limiting its independence and hampering free economic initiative. The free formation of prices of goods and services, free investment of foreign capital, free buying and selling of foreign exchange, and unrestricted earnings must be the economic basis of society," our informant emphasized, adding that enterprises must concern themselves with making a profit, not with conducting welfare policy.

According to Mr. Mirkovic, the door should be open to the process of privatization so that it is conducted according to economic and market criteria and is directed toward strengthening the economy and society, but also prevent the current practice whereby the transition of social ownership, probably under the name of privatization, has become one of the strongest sources of economic crime and social stratification.

Making Proposals Is Meaningless

Emphasizing that his party has an economic program that is inapplicable under these conditions, Dusan Glisovic, chairman of the Executive Committee of Serbian National Renewal, says "that solving the economic crisis is a kind of Gordian knot which, as is well-known, was severed with a sword. The Socialist regime has the sword and every other capability for resolving the economic crisis.

"But even the best economic solutions cannot be carried out under the present political circumstances, so that it is meaningless to make any proposals for getting out of the crisis so long as crime to a large extent is managing the economy instead of governmental institutions," Mr. Glisovic concluded his explanation.

Dealing With Worthless Millions, Empty Stores

93BA1369C Belgrade NIN in Serbo-Croatian 6 Aug 93
p 32

[Article by Srboljub Bogdanovic: "Life With Zeroes"]

[Text] *Test for readers: Can you, without thinking about it, write the numbers for three million twenty thousand, which is, by the way, the price of a loaf of bread?*

Anthropologists say that there are primitive tribes in wild areas that know how to count only to four. Moreover, members of such a tribe lack material goods, and to possess two or three pieces of something represents real wealth. Anything above four is for them an undefinable multitude, whether it is five or five thousand.

Compared with some situation close to us, it would look like this: if you asked an everyday citizen of this country what he could buy for a trillion dinars, he would have difficulty in answering you. But, everyone would know what to do with 40,000 German marks [DM], which is approximately the same value. However, for a month or two, you will not be able to buy a sack of potatoes, for example, or two packages of cotton for one trillion. For a larger bazaar you will need more than a trillion. But, what is higher than a trillion, and with how many zeroes is that written?

As a result of the increasingly widespread mental inability to barter with millions, like a basic currency, the people here, condemned to using "cash," are increasingly expressing millions and tens of millions in terms of the name of the banknote with the appropriate value. For example: four kilograms of the above-cited potatoes can be obtained in exchange for one "president's office" (50 million), and if you cannot remember for the moment how much is one million, it will immediately be clearer to you if you know that this is ten "sunflowers."

There Are No More Miracles

"Money is, naturally, a heap of multicolored paper, but its real value is actually that value that can be obtained in exchange for it. Referring to concrete notations on banknotes represents a drop to the level of concrete thinking," says psychologist Jelena Vlajkovic. "A regressive mechanism is evident here; I compare it with the behavior of children when they make banknotes of paper while playing."

In the opinion of psychologist Jelena Vlajkovic, this mental regression in the sphere of money only depicts some global regressive tendencies. "Recently I heard that

there exists a story about how everything that is happening around us will last until 1 September, because the interest of evil international powers is such, and that after this we will again live in prosperity. That is a typical example of the belief that it is necessary to pass through trials in order to deserve a reward, and also an obvious example of the action of regression in thinking."

It is known that less literate peasants at the market, when they want to say, for example, forty-seven, say instead of this that three of fifty are missing. Nevertheless, prices with an unavoidable six or seven zeroes are written out unerringly on market counters. At discreet wonderment on this occasion, an eggplant saleswoman says: "You have these for 500 and more and these for 5 million. Ten of these are one of that. These smaller ones I don't even count." And larger ones? Red, at 50 million? "I didn't even see that red one there. Ask this of that Tanasko, he knows." After brief thinking about who "Tanasko" could be, the conclusion was reached that Branko Atanackovic, governor of the National Bank of Yugoslavia, was being referred to.

What a man can do, a machine can't. In the majority of self-service markets "internal denominations" of three zeroes are implemented, because the readouts at the cash registers can't accommodate so many numbers.

Inspectors threatened for two or three days, and then inflation silenced them. Employees in the markets believe that this denomination has functioned well since the first day and that the citizens have accepted it without comment.

Why wouldn't they? The citizens haven't had comments even about great miracles.

Emotional Hibernation

"Man has numerous mechanisms for adaptation. For practical purposes, no upper limit of tolerance exists. Because of this it is erroneous to expect that general shortages and becoming poor are sufficient by themselves for people to say, 'Enough!', and rebel. They won't," says Ms. Jelena Vlajkovic and illustrates this: "You can see very happy people on the street carrying up to 10 loaves of bread. Tomorrow they will be just as happy that they got the bread at all. That is emotional hibernation—the same principle by which people succeeded in tolerating the worst horrors and humiliations in concentration camps."

For psychologist Vlajkovic, the increase in zeroes on banknotes is only one of the forms of the realization of the pathological situation in which we live. "Every man strives to fit into some defined frameworks, into some form of more recognizable reality, no matter whether it is multiplication tables or a monetary system. When this recognizable reality begins to get lost, a man then begins to create his own individual reality. That is a mental illness in the plan of an individual."

But, since such a situation for sick people is beneficial from their subjective viewpoint, one should not be too pessimistic in drawing up some more general analogies. Because, we do not find anything beneficial yet in our situation. Before it could be said that we are similar to that primitive tribe that knows how to count only to four. Because four are sufficient to them, and a trillion is a small number for us.

Montenegro

Jugoskandik Gas to Savings Depositors

93BA1372C Belgrade POLITIKA in Serbo-Croatian
5 Aug 93 p 9

[Article by Goran Volf: "Jezda's Oil to the Montenegrin Depositors"]

[Text] The Jugoskandik Savings Bank has gone into bankruptcy; savings depositors in Montenegro were recently magically paid off, with money which appeared from nowhere. All this was done through the Banka Privatne Privrede [Private Business Bank] in Podgorica, through which Jugoskandik was conducting its money transactions. Savings depositors in Serbia have barely begun to present their claims, no one knows exactly how many of them there are, nor how much they are demanding, but the chances of them all getting their money are minimal. If they are to be compensated at least to some extent, as much property as possible has to be collected that has remained in Yugoslavia after Jezdimir Vasiljevic's flight from the country, which will then be sold off and the claimants will be given a settlement out of the money.

We have already written about Jugoskandik's move from Serbia to the republic on the sea and about the real reasons for it. A large amount of capital flowed in various ways into Montenegro when business was transferred to Banka Privatne Privrede. Master Jezda, safely abroad, accused the authorities of graft and said that there are large quantities of gasoline in Kotor whose sale could offset the losses of the depositors and pull Jugoskandik out of difficulties.

There has been a shower of mutual accusations between Vasiljevic and Milorad "Micko" Vukotic, director of Banka Privatne Privrede. Micko accused Jugoskandik, from which the bank allegedly was demanding about \$3 million, and the gasoline in Kotor was blocked. However, there was a settlement between Jugoskandik and Banka Privatne Privrede, although the decisions of the District Economic Court in Belgrade had already taken effect initiating preliminary proceedings to ascertain conditions for instituting bankruptcy before the Economic Court in Podgorica. This was done on 7 July of this year, and consent from the court in Belgrade was requested a day later, only when the transaction was done for all practical purposes.

That necessary consent was not obtained, but no one appeared to be paying attention to that. Jugoskandik D.D. [joint-stock company] consented to accept 550,000 German marks [DM] from Banka Privatne Privrede over a period of eight days, whereupon about 2 million liters of gasoline belonged to the bank, and Jugopetrol-Kotor would get DM2.7 million for it.

Three days after that, Micko Vukotic's bank began to pay off depositors of Jugoskandik in Montenegro.

The representative of Jugoskandik agreed that all the gasoline stored in Bar and Lipice belonged to Banka Privatne Privrede, and after that the complaint was withdrawn.

Savings depositors in Serbia are upset because of the mysterious money with which Jezda's Montenegrin depositors were paid off. There has been speculation that the money was sent by Vasiljevic himself, that it was returned from Micko Vukotic's private firm in Albania....

New confusion arose when it was learned that a shipment of 500,000 liters of gasoline was stopped in Novi Pazar because it did not have papers in order. This fuel, some are saying, belongs to Jugoskandik. It is said that the carriers have confirmed this, but there was no documentation on the origin of the gasoline.

A few days ago, an advertisement for an auction of fuel in Novi Pazar was published in the newspapers.

There is interesting information to the effect that Entry Order No. 61, dated 18 March 1992, issued by the Montenegrin Finance Ministry, recorded the transfer of 30 million dinars of that time from Jugoskandik to that republic for an alleged purchase of DM2 million and that just a day later Banka Privatne Privrede received authority to conduct foreign exchange transactions.

Master Jezda has asserted in his statements from abroad that in late 1991 he carried \$35 million intended for the purchase of petroleum in a special plane to the National Bank of Montenegro, but that the transaction did not take place and that he went back to Belgrade with only \$24 million, while the remainder stayed in the National Bank of Montenegro.

In April 1992, he also purchased three luxury hotels on Sveti Stefan, for which he paid \$6.5 million, a third of which allegedly went into the Montenegrin budget, a third to the regional water supply system, and a third to the Budvanska Rivijera hotel-transportation enterprise. Then Master Jezda, at the height of his glory, made a present of \$1 million to the government of Montenegro.

In September 1992, Vasiljevic concluded a contract with that same government and Jugopetrol-Kotor to lease five gasoline stations. Montenegro's take at that time was about DM320,000, which ought to still be in the vault of the bank of this republic of ours.

This is only a part of the money which the man with the white pipe, the candidate for president of Serbia, the financier of the election campaign of the SPS [Socialist Party of Serbia], the organizer of the chess match of the century, the owner of two TV stations and the review BIG, the trickster, the victim of the regime, invested in Yugoslavia, and from which at least some of the aggrieved depositors might now be compensated.

People's Party Leaving Government Viewed

93BA1359B Belgrade NIN in Serbo-Croatian 30 Jul 93 pp 20-21

[Article by Zeljko Ivanovic: "Montenegro: Kilibarda's Shot"]

[Text] *Why did the "nationalists" leave the republic government—out of fear of the voters or under pressure from Belgrade? Will the "liberals" also go after them?*

Although, recently, in one of the previous issues of NIN, Svetozar Marovic displayed trust toward "his" opposition, believing that he would, possibly, decide to depart the government, this step "based on serious and truthful" reasons, and that the DPS [Democratic Party of Socialists] will become correctly acquainted with it, the general secretary of the ruling party, now, after the announced decision of the leadership of the National Party to pull their ministers out of Bukanovic's cabinet, does not admit that he is disappointed with it, because "we are a party of radical attitudes and radical courts." "The People's Party took advantage of this law and we respect that," gallantly adds Marovic.

Nevertheless, according to the tone in which he speaks, and what he says later, it is clear that it is not all right with him because of the decision of the "nationalists"; this is logical, because this decision came as a surprise not only for the ruling party, but also for the general public. Much earlier it was expected that the "liberals" would take such a step, because they had not settled accounts "from the first day" with whether it was necessary to go into the government, and, moreover, the numerous reports of the leaders of this party, issued during the past month, were filled with opinions about how the "collaboration" with the DPS should be ended as urgently as possible.

Wooden Ministers

But, be that as it may, Kilibarda was quicker and shot first, and whom he will hit with this, as things now stand, is quite uncertain. In the report issued from the meeting of the General Council, the "nationalists" justify their unanimously rendered decision "with the fact that the government of Montenegro is not succeeding in improving the life of citizens in a single direction of current reality." Since the General Council has judged that the government is not capable of keeping its promises, as well as that responsible places of our members have not assumed anything more than formal participation in the government, the General Council believes

that Messrs. Perovic (vice president of the government, Zeljko Ivanovic's note) and Kadic (minister without portfolio, Z.I.'s note) should not have to share responsibility for the consequences of the policy of the government of which they are members—the report cited above reads.

In a conversation with NIN, Dr. Novak Kilibarda, president of the People's Party, discloses that their withdrawal is motivated not only by the fact that sharing responsibility for the policy of the government is not desired, and still less by the fact that the numerous requests that this party has made to the government have remained unanswered, but by something that has, as he says, deeper meaning: "Montenegro can be saved from chaos, primarily economic, and political, only by a serious coalition government or, in this situation this would have still greater effect, a concentrated government. Therefore, it would be high time for a parliamentary opposition party, and the strongest one, to turn its attention to the government and the ruling party which can't do anything through calculated games with the opposition," Kilibarda emphasizes.

"Translated" into concrete, political language, the People's Party, aware of the almost hopeless position of the DPS as the chief creator of a policy that has led to an abyss, is attempting with this kind of pressure to force the majority party into concessions. The idea of creating a coalition or concentrated government is not new—it was current somewhat more than a year ago, when the DPS was forced to the wall because of daily demonstrations at that time in Belgrade and, it seemed, the extremely uncertain fate of Milosevic. However, since the president of Serbia very quickly survived the test, the "Bulatovicites," at the same time, also forgot about the conversations with the opposition and about the possibility of creating a coalition government. Marovic now says that they have not received any proposal at all from the People's Party about reorganizing the government, but "as soon as one is submitted it will be seriously reviewed." And how it (the proposal) will fare is perhaps indicated by the words that the DPS's general secretary utters in continuing: "The People's Party, nevertheless, represents a rather limited part of the voting body and it will be very important to weigh this circumstance as well as the fact that, under these conditions, decisions can be made only through the agreement of all."

Jump in Liberals and Radicals

In one of his earlier conversations, Marovic reported to this journalist that the Belgrade agency "Partner" (which sounded out public opinion very successfully on the eve of elections in Montenegro) performed a survey of the Montenegrin voting body "recently" for the needs of the DPS, but he did not wish to speak about specific indicators. According to unofficial information from the circles of the ruling party, which, experience has shown, should not be accepted "word for word," this survey showed a growth in popularity of the "radicals" and "liberals," and a drop in the ratings of the "nationalists" and the

DPS. Whether because of this, for the most part, comes the opinion that Marovic cites on the occasion of the "flight" of the DPS, sounds interesting: "One gets the impression that the People's Party has been feeling uncomfortable for some time because of the frequent criticism of the Serbian Radical Party that it is close to the government. It has recently been possible to conclude that the leaders of this party (the People's, Z.I.'s note) have had a big problem proving to Mr. Seselj that they are not in power."

On a similar theme, the vice president of the Montenegrin radicals, Acim Visnjic, offers a variation in Podgorica's POBJEDA, attributing the withdrawal of the nationalists to the "fear that we are seizing their voting body." Therefore, Marovic is worried that this act by the People's Party could "stimulate the global radicalization of all political structures in the Republic." As in all similar situations (when "one is in trouble"), (dis)information is beginning to leak from the DPS on this occasion as well, to the effect that this step by the nationalists is allegedly an integral part of the increasingly apparent pressures from Belgrade to which the support of the current government for the equal status of Montenegro does not correspond, so, by any means, they want to destabilize the government and the republic itself.

Others Are Also Leaving

However, Kilibarda rejects any thought about a national plot by his party with Belgrade authorities and the intention to destabilize Montenegro, and he explains the attitude of the federal ministers as the basic stance of his party—support for preserving the federal state. "In accordance with this conviction, we have decided not to withdraw the federal ministers, but if the arms and legs of republic autarchy continue to be tied by the federal government, therefore, if the federal government continues to be a service for breaking up republic interests and not a responsible organ that carries out its designated function under the Constitution, then we will, of course, withdraw our members from the federal government."

However, the main question that arises after this, as Marovic calls it, "hurried step" of the NS [People's Party], and the question the answer to which will depend largely on the further development of political events in this republic, is: will parties from the opposition, "pro-Montenegrin" bloc—the liberals (they have two ministers) and the social-democrats (one minister)—follow in the steps of the nationalists? On the basis of statements by representatives of these parties, which Tuesday's issue of Podgorica's POBJEDA is carrying under the large title "Are Others Also Leaving?", the final result is already foreseen.

Although, also on the basis of the present insistence by this part of the opposition on "adherence to principle," and on the basis of their statements on the given theme, it is realistic to expect the withdrawal of these two parties, it will probably not happen (if it happens) so

quickly, if not for anything else, then because of the fact that their membership would not criticize them for "acting like chetniks." In a statement, first for BORBA and then in POBJEDA, LSCG [Liberal Party of Montenegro] general secretary Predrag Vulikic (proudly) points out that his party first announced a review of relations with the ruling party, adding that "we do not see a good reason for the continued participation of representatives of the Liberal Alliance in the Government."

The leader of the "liberals," Slavko Perovic, recently returned from America, so a verdict will be announced only when he, after a one-and-a-half-month pause, again "enters the game," but it is already clear now that "all liberals do not think alike." For example, one of the ministers from the ranks of this party, Miodrag Burzan (he heads up the office for organizing facilities), stated in a recent interview with the weekly MONITOR that, in his judgement, the "withdrawal of the LSCG from the Government, at this moment, would be extremely absurd." The chief of the representatives' club of the LSCG, Zoran Ljumovic, points out in a statement for NIN that "a decision on whether this party will withdraw from the government or not cannot depend on the behavior of any other party, but exclusively on our assessment of how we can best help all citizens of Montenegro." Ljumovic says that the fear of the opposition that it could, tomorrow, neither guilty nor obligated, share responsibility with the DPS, but adds that "engaging in politics really presupposes responsibility, moral and political."

Similar confusion about this also burdens the Social-Democratic Party, so that its leaders do not wish to speak out before the decision of the General Council. Ramo Bralic, vice president of the party, is paying attention to the fact "that our party has not entered the Government, like the NS, because of the division of the cake of power, but in order to preserve civil peace and give international credibility to the current Montenegrin leadership." Although these motives are still in effect, Bralic says that the General Council can make a different decision from the one when it decided on entering the Government, because the "DPS is continuing to carry out a policy that redounds to the harm of the interests of the citizens of Montenegro."

Parties of the "green" bloc are, evidently, in big trouble—not in order to reject the DPS, hoping that they would be able to "add grist to their mill," but they would not share responsibility with it either, fearing the "judgement of history." To the remark that with such a move they could push the ruling party into the embrace of the "separatists," Dr. Kilibarda replies: "We were interested that truths are disclosed. We now want to see clearly what the real relation is between the DPS and the liberals. I said something on that theme three years ago and I am now repeating it—I don't know how close they are, I only know it is not worthwhile paralyzing them!"

This colorful message from the leader of the People's Party raises the question: What could happen if the "greenies" remained in the government—would that again sharpen the "white-green" divisions, would the DPS also split along those lines, how would Belgrade react to this, what would happen to the civil peace in the Republic? Svetozar Marovic remarks ironically that such a split "could serve critics of Montenegro as yet another proof of its imminent separatism," but adds confidently: "The DPS is open to cooperation with all, so that I do not see why cooperation would not continue with these two parties, if the mutual desire exists. At this time it is important for us to have an alliance of moderate people, without regard to their politics and ideological affiliation." Finally, Marovic adds that the DPS has "people, knowledge, and strength" and that, if necessary, it will carry the great burden of responsibility, and as to the danger of the tearing up of his party, he doesn't see it, he says.

Minister of Police on 'Informal' Invasion

93BA1371B Belgrade DUGA in Serbo-Croatian 17-30
Jul 93 pp 17-19, 96

[Interview with Montenegrin Minister of Police Nikola Pejakovic by Vesna Malisic in Herceg-Novci; date not given: "Nikola Pejakovic, Minister of Police, on Informal Invasion of Montenegro"]

[Text] *What is the connection between the fact that lately in the land of manly virtue and heroism Montenegrin women are swarming to the police, requesting uniforms and duty on the streets, and the long-term importation of problems to Pljevlja for the purpose of provoking war in the FRY [Federal Republic of Yugoslavia]—in the territory of Montenegro? If the troubles with terrorists, imported specialists, criminals, special criminals, pilot parties, smugglers, volunteers of various stripes, and directors of the top Montenegrin automobile factory continue, will Montenegrin women soon have to assume even the top positions of the Service, as those well-acquainted with the acts of Marko Miljanov predict?*

I spoke with Nikola Pejakovic, the Montenegrin minister of police, one afternoon in Herceg-Novci, in a garden looking out over the Prevlaka. In a sports shirt the color of ripe cherries, with a neat beard and dark sunglasses, he did not give the impression of a restrained and suspicious chief of police, but rather that of a resolute, somewhat authoritarian person trying to show who the boss is. While previous Montenegrin police ministers have drowsed behind the skirt of politics, yawning with boredom, the current minister has his hands full under the conditions of wartime encirclement. During the year that he has held the ministerial post, he has had to keep the war from spreading to Montenegro, disarm Montenegrins, prevent terrorism, restrain wartime profiteering, guard the border, appease the radicals....

Nikola Pejakovic began his professional career as president of the magistrate court in Bar.

[Malisic] It has been recalled that at that time, in the summer of 1988, you released Bora Djordjevic, despite instructions from Miljan Radovic that you follow orders and throw that artist into prison.

[Pejakovic] That event changed not only my job, but also my life. After all, some events change our lives, against our will. I remember that it was the summer of 1988. When that case came before the court, I was on vacation. I heard that Bora Djordjevic was a guest artist during a BARSKI LJETOPIŠ cultural event and that some of his poems were controversial. An alarmed colleague called to ask me what to do about this. I told her not to burden herself and that I would take the case when I returned from vacation. However, there was a media explosion surrounding this event. For a small judge from a small town, this was a critical event. Although at that time, my ambition was to go into law.

[Malisic] At the time, Montenegrin politicians exerted pressure on you to condemn Bora Corba?

[Pejakovic] You bet! But at the time I was playing a psychological game with the police. Both politicians and ministers called me in for talks, paying special attention to me and wooing me so as to help me throw the man in prison. I, however, had my own view of this case, convinced as I was that the most important thing that a person has in life is himself. In addition, the case was interesting not only because of the major media attention, but also from the legal standpoint. After all, it had to be established whether the words of a poem offended the patriotic feelings of the citizens. I proceeded from the view that this was a matter of personal sensibility, and I told myself: I will question 15 witnesses, and if their personal feelings are offended, then I will, quite properly, send Corba to prison, but if not, then I will release him. And release him I did. Naturally there was a lot of anger because of that, among both the police and official political circles.

I Became Chief of Those Who Were Supposed To Arrest Me

[Malisic] Immediately thereafter, Montenegro was hit by the waves of the antibureaucratic revolution, and you lost your job on the court.

[Pejakovic] That was interesting. When that big rally took place in Bar, in May 1989, my colleagues and I left the judicial building without knowing what was happening at the harbor. At one point, someone speaking from the rostrum called out my name, asking me to become a member of their organizing committee. That too was a major shift in my life. I simply went over to the other side. At the time, I, together with journalists from Radio Bar, was on a list of people to be arrested. However, that was blocked by Pavle Bulatovic, then the Montenegrin minister of internal affairs. He called me up and asked whether I would work for the police. I agreed and became the head of the SUP [Secretariat of Internal Affairs] in Bar. In that way, I became the chief of those who were supposed to arrest me. Such is life.

[Malisic] It is interesting that you went over to the opposition, and then directly into an official post?

[Pejakovic] Exactly. I then became the Montenegrin deputy police minister, and in August I assumed the duties of minister.

[Malisic] It was while Mr. Pavle Bulatovic was federal police minister that the famous raid by the Serbian MUP [Ministry of Internal Affairs] on the federal MUP building took place. What was your experience with that?

[Pejakovic] The way in which that action was carried out was completely inappropriate. In certain other countries, that action probably would have had a completely different significance, because it involved the ministry of police, not agriculture. I do not wish to comment on the fundamental reasons.

[Malisic] Nevertheless, it was said that at that time you occupied a hotel in Becici that belonged to the federal MUP?

[Pejakovic] It is true that on 13 May the Montenegrin Government, acting on its own resolution, took over a building in Becici that was the property of the federal MUP. It did that recently. Actually, I would not make any comparison. Colleagues from the Serbian MUP took over the Security Institute, and it is unnecessary to comment on what kind of institution that is. It is on a European level even in terms of equipment. The Montenegrin Government occupied a building in Becici, but left a certain number of rooms to colleagues from Serbia. Thus, there can be no comparison between the hotel building and the Security Institute, right?

[Malisic] In Serbia there is currently talk of strengthening police forces. According to some estimates, Serbia has 70,000 members of its police forces. Is Montenegro keeping up with that trend?

[Pejakovic] We are not keeping up with that trend, as you say. In our republic we are trying to keep up with the security problem, which is of interest to the police. You must know that we in Montenegro have been very close to war on several occasions, especially during the pre-election campaign. That is the plain truth. It was a question of minutes before war would start in a situation of terrible emotional and political stress, when partisan passions had reached their culmination. It was very hard to provide security for promotional meetings. Today the tension has abated, a democratic atmosphere has been established in parliament, and I think that people have realized that diversity is part of our natural resources, not a reason to take aim at one another.

This Summer Montenegrin Women Are Most Eager To Wear Blue

[Malisic] You did not respond to the question of whether you have numerically strengthened the service?

[Pejakovic] In this phase, unfortunately, we must strengthen the operative structure and the police structure for the sake of stability in the republic, so that we will never have a repeat of Pljevlja. Although, frankly, I would be happy if there were no need for my job. But I must tell you that the interest of Montenegrin citizens in employment in internal affairs is incredibly great. We have just accepted 30 policewomen, for street assignments. And more than 300 of them applied. That is very unusual given the mentality and psychology of Montenegrin women. At the same time, there is a great deal of interest in the job of policeman. We have now accepted 400 young policemen, trained them in Becici, and sent them to work. And more than 1,000 applied for the jobs.

[Malisic] How many police officers does Montenegro have?

[Pejakovic] Well, OK, we have several thousand of them. It would not be professional to be more precise than that.

[Malisic] I believe that you have heard about the idea of creating a police academy. Do you like that idea?

[Pejakovic] If I look at this as a policeman, a professional, then I would be happy if we in Montenegro too could have such an academy. That would ensure a high level of police training. But my desire is to be as much an intellectual in this profession as possible. I know that these comments are at variance, because of the different experience and association. But we must realize that we are living in this sort of era. A police academy is an opportunity to create top-notch policemen. You probably know that the citizens have had something of an aversion to the police. That is why I think that it would be my success if I managed to create circumstances in which ordinary citizens regard patrolmen as friends, just as the English regard their bobbies.

[Malisic] You say that the citizens have had an aversion to the police, but I think that they still do because of their experience with being beaten up if they happen to be on the street during a demonstration. Who then will protect us from the guardians of order?

[Pejakovic] In Montenegro there is no reason for anyone to protect you from the police. But at the same time, I will not allow anyone to lift a hand against policemen. I am the only one who can dismiss policemen or force them from the service. Citizens cannot cock pistols at the police. At the same time, with me every policeman who oversteps his authority will be punished. I know, of course, that there are various comments circulating in Montenegro as well concerning the fact that we have lately hired a group of young people whom we have trained in Becici, and whom, given the extraordinary circumstances under which we live, I have ordered to carry heavy weapons day and night. I felt that this was necessary, and the majority of the citizens welcome it. But certainly there are also those who do not like it.

Who Will Disarm Montenegrins and How?

[Malisic] How will you disarm Montenegrins?

[Pejakovic] One could say that it is dishonorable to disarm the Montenegrins. All joking aside, the problem of disarming the citizenry is actually a big one. There are so many weapons in the citizens' hands that it will take decades to bring them down to a reasonable level. You know that weapons from World War II can still be found among our people. Having weapons here is a matter of tradition, a part of the folklore. But since this war has been going on, the most lucrative job has been arms smuggling, as a component of wartime profiteering. What choice did we have? We changed the Criminal Code and the Law on Weapons, and now the illegal possession of weapons brings with it a six-month prison sentence. In only a few months, we have confiscated enough weapons at nighttime checkpoints to solidly arm one corps.

[Malisic] This weaponry has come from the battlefield. Has the military not had control over this?

[Pejakovic] The 260-km border with the former Bosnia-Herzegovina is too long to properly secure it, and the military is not capable of properly securing it. We are doing our job at only seven border crossings and in the depths of the territory, as they say. That is why last year in Podgorica it was possible to buy a gun for a pack of cigarettes, because there were as many guns as you wanted, but no cigarettes. Right now the situation is different, although in order to safeguard the peace we have consciously neglected certain other matters. Quite simply, we have established priorities. That is why I say that Pljevlja cannot be repeated.

Who Actually Threatened Serbdom in Pljevlja?

[Malisic] You have mentioned Pljevlja several times, presumably as the point where war could be provoked. Is there a plan to destabilize Montenegro through the radicals and northern Montenegro?

[Pejakovic] My perspective on the problems from Pljevlja is that we must impose law and order in that opstina. I have not thought about whether the events in Pljevlja coincide with specific figures and parties. To me, as a professional, that means nothing. Believe me when I say that I would just as happy to arrest members of the DPS [Democratic Party of Socialists] or radicals for acts of terrorism or armed rebellion. That is my view of the situation. And that means that that must also be the view of everyone in my Service. As long as I am minister. That was probably a segment of the mosaic that should be studied, because the problems did not originate in Pljevlja. Or they did not originate in Pljevlja alone. They were imported. During that time, when all of that was happening in Pljevlja, we did not have time to study all the aspects of the problem. We simply endeavored to impose law and order as quickly as possible. It is possible that

the war was supposed to be introduced to the FRY, to the territory of Montenegro, through Pljevlja. That was a critical point.

[Malisic] Especially since part of the citizenry, and even members of your service, felt solidarity with the radicals and with Dacevic.

[Pejakovic] We had problems at that time with the police as well, precisely because of the solidarity with Dacevic and his gang. But we created a strong special unit for special operations and kept them in Pljevlja for half a year. Now local institutions are functioning there. It is not good to keep the peace through force for an extended period. Naturally, I have replaced the entire departmental leadership in Pljevlja.

[Malisic] Is it because of this that the radicals accuse you of throwing out more than 200 policemen who declared themselves Serbs, so that in this way you are carrying out ethnic cleansing?

[Pejakovic] Yes, yes. I have read that I am replacing Serb personnel all over Montenegro, that I am opening camps for Serbs. But I simply do not compromise in the job that I do. There is no need for them in the police. We have even specified in the Constitution that police officers are professionals and cannot belong to any party. We have created formal terms as preconditions.

[Malisic] In that sense you are not a member of the Democratic Party of Socialists?

[Pejakovic] Do you know of any police minister in any country of the world who belongs to the opposition?

[Malisic] But how do you apply that principle from the Constitution to yourself?

[Pejakovic] This is something that should not be covered up. Of course the police minister belongs to the ruling party everywhere in the world, including Montenegro. The question is to what extent he, as a person, succeeds in being a professional in his job. I think that we are on the way to creating a professional institution.

[Malisic] Let us return to the previous question. What is the source of the talk about dismissed police officers?

[Pejakovic] First I must tell you that I have not paid much attention to what the press has written. It is not my custom to deny anything. But these charges are unfounded. These were actually cases of administrative retirement, of early retirement and the discretionary right that belongs to the minister.

[Malisic] It is my impression that that article of the law on administrative retirement was declared unconstitutional two years ago?

[Pejakovic] Yes, in the judgment of the constitutional court administrative retirement is unconstitutional. At the time, there was a great deal of discussion, and we tried to bring administrative retirement back to the

Service. We succeeded in that, and despite demands that all the reasons for someone going into early retirement be spelled out, I was opposed to that. I said that nothing should be said other than five words: the needs of the Service.

[Malisic] But in that way you opened the door to various conclusions.

[Pejakovic] Probably. However, that article passed the Assembly with the exact wording upon which we insisted. This "needs of the Service" sounds so powerful and official, as my colleague from the government, Prof. Dr. Slobodan Tomovic also said.

[Malisic] Apparently there is no fooling around with you. You demonstrated that in Pljevlja. What is the truth about that?

[Pejakovic] The truth is that Pljevlja served as a direct pretext for major personnel changes on the level of the Montenegrin MUP. I was not guided by who belongs to what party, but rather by who knows how much about doing his job. And I was not sentimental; I simply replaced people with whom I was not satisfied. And I said that as long as I was in this post, I would guide personnel policy. No one else. That is why I do not know the number of people who have left the Service. This is a process. It could go on yesterday, today, and tomorrow. If I am dissatisfied with any MUP employee, I will replace him. I have also said in parliament: Do not ask the minister to explain to you what reasons guided him when he replaced someone. Rather, if the security situation is not good, then ask for the minister to be dismissed. I accept that.

How Pljevlja Was Occupied

[Malisic] It is interesting that the radicals accuse you of being anti-Serb, while the liberals feel that you are acting under Belgrade's orders. How can that be?

[Pejakovic] I am under attack from all sides. The liberals say that I get instructions directly from Slobodan Milosevic. To tell you the truth, I like hearing such comments. I am probably not doing a bad job when I displease both sides, but these are two extremes. Right?

[Malisic] Explain the police skirmishes with Ceko Dacevic.

[Pejakovic] That started in August of last year, right when I assumed the post of minister. A certain Ceko Dacevic showed up in Pljevlja with a group of chetniks. That was also when the first massive arming of the population began. The top people at our center in Pljevlja did not send us true and accurate information, so that we were misled. Accordingly, at the outset the police did not react as it should have and there was an escalation of the situation. Quite literally, Pljevlja was occupied. All the vital points in the city were under the control of Dacevic and his gang. But the police in Pljevlja reported to us that there was practically no

problem. Then a series of terrorist operations began around Pljevlja, where mostly Muslim structures were attacked. The theory that Serbdom in Pljevlja was threatened is absurd. That is actually in the realm of black humor. At the time, Pljevlja was 17 percent Muslim. Today there are even fewer of them.

[Malisic] The problem here was probably the proximity of the border, from which weapons could arrive.

[Pejakovic] This border aspect is problematic in general. People have a hard time getting used to the fact that there is a border where they had property until only recently. Moreover, that border was skillfully utilized by wartime profiteers and dealers in all sorts of goods, not only weapons. It was possible to see various uniforms, of chetniks and other groups. Today in Montenegro, you can see only the uniform of the Armed Forces of Yugoslavia and of the police. But as far as Dacevic is concerned, ever since he became a deputy in the federal parliament, aware that he is protected by immunity, he has insulted and belittled the police in Pljevlja, insulted the local Muslim population, gone into Muslim bars and ordered people to sing chetnik songs, or ordered roast pork. Because of that, on several occasions after the trial we have invited him to come in for informal questioning and have brought criminal charges against him.

[Malisic] And what happened to Dacevic when he was stopped by the police patrol? There are several versions of the story.

[Pejakovic] This was during his usual nighttime drives. One evening, the police took weapons from him and his companion during a routine check, because they did not have permits. The next evening, he was halted by the police again. He did not stop, but simply dimmed his headlights and went on through. The police set out after him and when they stopped him he and his colleague tried to offer active resistance. A knife was found on his colleague.

[Malisic] You are criticized for continually stopping Ceko?

[Pejakovic] I am aware of that criticism, but Ceko sets out on his "drives" around Pljevlja every night after midnight. The police have nothing against Ceko as long as he does not mistreat the population or let off steam in Muslim bars.

[Malisic] OK, did you beat him up?

[Pejakovic] Although this sounds unconvincing, he actually fell six meters from a wall while he was trying to escape. That shook him up a great deal. Then he was taken to the station, held for an hour or two, during which time they talked to him, and then he was released because he has immunity. But now he has been stripped of power, so that he is no longer protected by the immunity on which he counted. Next, as you know, he went to Belgrade and was in the hospital. And at his request I met with leaders of the SRS [Serbian Radical

Party] in my office. I told them too that through our Service we would investigate whether official figures in this case overstepped their authority in applying means of coercion. If so, they will be punished.

[Malisic] Are there elements of terrorism in the activities of the Serbian Radical Party in Montenegro, as is alleged?

[Pejakovic] There is no party in Montenegro, not even the most extreme part of one, that is capable of disturbing the peace. I can say that reliably. But there have been many several attempts. This type of activity, which Dacevic and his group undertook in Pljevlja, is a classical act of terrorism, and I say that in part as a jurist. It is possible that there were also elements of armed rebellion, to which even the death penalty applies. But we decided to qualify it as terrorism, which was more certain. I consider the judiciary autonomous, and I leave it up to them to decide on this.

Niksic Has Criminals on European Level

[Malisic] Thus, we are confronted with new forms of crime?

[Pejakovic] The war in Bosnia has brought with it new forms of crime. There is also the embargo, which results in a horrible drop in the standard of living; the economy is under blockade and we have around 70,000 refugees. Under such conditions, it seems almost impossible to preserve peace. But we are at peace.

[Malisic] I have heard that a mosque was bombed in Niksic, that a Muslim village was fired upon and that one woman was killed.

[Pejakovic] That was on 1 and 31 May. A Serb woman was killed when the Muslim village was fired upon. That was the first case in Montenegro where modern terrorism was carried out in the most drastic possible way: The object of the attack was a human being. But fortunately, we managed to solve the whole case. That is important in part because prior to that, we had an armed attack on a minibus transporting workers, Muslims, in Pljevlja. The shooting took place at night; the minibus was riddled with bullets and people were wounded, but we did not solve the case. At that time we declared war on terrorism in Montenegro. We ordered that long-barrel weapons be carried both day and night.

[Malisic] Who killed Branko Djukanovic of Niksic?

[Pejakovic] All of the perpetrators are Niksic criminals. They included some who said that they were radicals, but the most important thing is that they were all criminals, known to our Service for some time now. This series of events, plus the bombing of the mosque in Niksic, was too much for little Montenegro. That is why I do not hide my satisfaction at the fact that we have discovered not only who killed Branko Djukanovic, in the village of Bistrica, but also that four types of weapons were fired:

an automatic rifle, a Scorpion, a 7.62 pistol, and a 7.65 pistol. In terms of the police, that job is done.

[Malisic] Is Niksic really a gangster town?

[Pejakovic] The people of Niksic are special. They are fierce. I have plenty of friends there and I know that everyone does his job with the same ferocity. Thus, they also have fierce criminals, on the European level. But in Niksic as well, drastic personnel changes have been carried out, and moreover, we have activated a special unit from Podgorica, which helps out the authorities in Niksic at night. Thus, the situation is significantly better, aside from plenty of classical acts.

[Malisic] A little more about Niksic. I have heard that you arrested the vice chairman of the Serbian Radical Party for Niksic, Zarko Bojovic. Why?

[Pejakovic] We established beyond a doubt that he sold three automatic rifles, actually three Russian *Shpagins*, for 1,200 German marks to someone in Bijelo Polje, who then sent them on the Muslims. This is a struggle for the Serb cause! We brought him in front of the examining magistrate in Niksic, but he was immediately released, after making a statement. Should such a person be sent to prison? I think so. This has a terribly demoralizing effect on our people in doing their job. And objectively speaking, that is our problem with the judiciary. It is a major handicap that a large part of life, which grew up alongside war, is not regulated. Here, on the level of the republic, we are making changes, each one completely independent of the others, because on the level of the federal state the Criminal Code of the SFRY adopted in 1974 is still in effect. That is an opportunity for defenders and attorneys. But let the examining magistrate release him; we will arrest him again if he does something else like that.

As Long as We Respect Individuals Instead of Institutions

[Malisic] Why have you prohibited Vucurovic from entering Montenegro?

[Pejakovic] That is not true. That day he had a meeting with members of the Serbian Service and we allowed him to pass. That was classic disinformation. And we introduced stronger control measures because of wartime profiteering, which was in fact proliferating at those crossings.

[Malisic] It is said that Montenegro is full of cars from the Dubrovnik front and that the majority of them have been legalized. Is that true?

[Pejakovic] One type of new act, which is classified in the general group of crime, is the smuggling of vehicles, which is on the level of arms smuggling. The war gave birth to this. There are many smuggled vehicles and many unaware buyers. People involved in smuggling vehicles have made a great deal of progress and are utilizing world experience. Thus, they no longer falsify the engine and chassis numbers, but rather draw up

papers, obtain falsified documentation. And because this problem is not dealt with by law, we can only confiscate the vehicle from the person who bought it.

[Malisic] A year has passed now since the creation of the Federal Republic of Yugoslavia, its first president has been replaced, and we still have not gotten one of the most important systematic laws, a law on internal affairs. What does that mean?

[Pejakovic] Well, that means for now that the Services are operating autonomously, and there is poor coordination on the level of the federal state. Otherwise, we have seen how little time we need to replace the head of state. We can replace him as a point of miscellaneous business. That is the psychological state in which we find ourselves. I would call it a state of shock, so that we regard the replacement of the head of state as completely normal and affirm it daily. One day, after we are beyond this state, we will respect institutions, without looking at individuals. Obviously we do not appreciate institutions, as well as the laws, of course, that accompany those institutions. That is the preliminary question, to which we must accustom ourselves in order to also respect the people who will do this. Because we have no systematic laws, the raid on the federal MUP and this dismissal of the state president were possible, among other things. But the fundamental question is this: What part of the security function should the federal state perform? Once we answer that question, it will be easy for us to negotiate further.

[Malisic] Now you are conducting negotiations about the border only?

[Pejakovic] Not about the border specifically. We have had several meetings with federal minister Blagojevic where we tried, at least in principle, to get moving on some questions that concern security on the level of the FRY, but that did not get very far. One of the most important systematic laws is the one relating to questions of state security. That is a political and security question par excellence. But right now this is functioning like everything else—separately. We cooperate on concrete cases. And nothing more. That is why the most vital institutions of the FRY cannot get moving. We are still in a situation that is extremely formal. Nevertheless, time is a factor that we must count on.

Hiding Information No Longer Serves the Purpose of Peace

[Malisic] There is a theory that the Law on the Military and the Law on the Police were held up until the final departure of the Panic federal government and the Cosic federal state?

[Pejakovic] I do not know about that, but I do think that it is good that the Law on the Military is being adopted. Indeed, I think that we must be more insistent that the FRY begin functioning. Because if we agree that we want

a federal military and police on the level of the federal state, then it will be easy for us to reach an agreement on practical questions.

[Malisic] And so after one year it is time for us to know whether or not there is any desire for this state?

[Pejakovic] Well, I can say that at least for our part, that desire is sincere, and I think that it is the same for their part. We are already close to it, as soon as the law on the military is adopted. A state cannot be created in one year. Time is needed for that.

[Malisic] The arrest and beating of the Draskovic family also provided an opportunity for many people to remember the Zuta Greda, when several nightsticks were the price of a government portfolio. I have the impression that it is much easier for those who came with the wave of revulsion at the Zuta Greda to use the nightstick today.

[Pejakovic] Not in Montenegro. Here, not a single policeman is allowed to use his nightstick against a citizen who is not at fault. There have been cases of this, but we know what has been done with the policeman afterward. I will personally fight to my dying breath to see to it that means of coercion are never used against our own citizens and nation. Because I myself regarded the events with the Zuta Greda with horror. It is not good for the head of state to know more about and decide on events from the area of security than the police minister. In that case, why does he need a minister? This is a matter of profession, but also a question of responsibility for the procedure that he undertakes. If the police has overstepped its authority, then this must be established and then corresponding measures must be taken against whoever ordered this violation, all the way to dismissal. I think that the days are past when information and hiding it serve the purposes of peace. We must go before the citizens with clean faces, with the plain truth. That is the only thing that serves the purpose of peace.

[Malisic] Are you popular because of the stances that you hold?

[Pejakovic] I have not thought about that.

[Malisic] Are you afraid?

[Pejakovic] Fear has always been foreign to me.

[Malisic] Is it better for the police to protect demonstrations or to disperse them?

[Pejakovic] Peaceful demonstrations must be protected, destructive ones must be dispersed. It is all a matter of judgment, however. It is very hard to decide to disperse a demonstration. That is the last decision.

Macedonia

Gligorov, U.S. Congressman Discuss U.S. 'Assistance'

LD2608214493 Belgrade TANJUG Domestic Service in Serbo-Croatian 0941 GMT 26 Aug 93

[Text] Skopje, 26 Aug (TANJUG)—It was reported in Skopje today that President Kiro Gligorov held talks yesterday with U.S. Congressman Newt Gingrich. They discussed U.S. assistance to the former Yugoslav Republic of Macedonia. Gingrich was particularly interested in the possibilities of and ways in which the United States could provide economic, political, military and other assistance to Macedonia. According to the congressman, the assistance would ensure stability in Macedonia and peace in the region. He was also interested in the possibilities of settling the dispute between Macedonia and Greece.

The Macedonian president said during the talks that U.S. assistance would be of vital importance, adding that much has been achieved in that sphere so far.

Gligorov said that the dispatch of UNPROFOR's [UN Protection Forces] American contingent to Macedonia is exceptionally important for peace and stability in the region, and also as a confirmation that priority is given to preventive actions.

Certain observers in Skopje see such visits and statements as an announcement of sending further contingents of American troops to Macedonia. Opinions have been voiced that U.S. long-term strategic plans envisage the creation of a strong American military base in the former Yugoslav republic.

A statement says that the congressman was accompanied by U.S. General Boyd.

Kosovo

Police Reportedly Surround House, Kill Boy

AU2608191493 Tirana Radio Tirana Network in Albanian 1730 GMT 26 Aug 93

[Text] Sources of the Kosova Democratic Alliance and the Council for the Defense of Human Rights and Freedoms report that on 25 August, large police contingents surrounded the house of the Totovci brothers in Sabmille in Ferizaj. The police sought to arrest (?Fatmir) and Kadri Totovci. [words indistinct] conscious that the Serbian police in such cases can cause terror, [words indistinct] the Serbian police fired automatic weapons at the Totovci brothers and killed the 16-year-old boy [name indistinct] Totovci, whose body was sent to Prishtina.

The Council for the Defense of Human Rights and Freedoms condemns this crime by the Serbian police, stressing that this is the 10th victim this year of Serbian police terror against the Albanians in Kosova.

Council Gives Details

*AU2708101293 Tirana ATA in English 0823 GMT
27 Aug 93*

[Text] Pristina, August 27 (ATA)—The Council for the Defence of the Human Rights and Freedoms in Pristina reports that the latest victim of the Serbian terror which is continuing against the innocent Albanian population in Kosova is Sefer Cukovci, born on February 17, 1977, from the Cernille village of Ferizaj.

On August 25 at 5.00, a great number of police surrounded the house of the Cukovci brothers in Cernille, searching for Fatmir (28 years) and Kadri (26 years). Since they both and their little brother Sefer were not at home police gave their mother until 12 00 hours to surrender her sons to the police, and then the police left the residence. But apparently some policemen remained hidden near the house, because right after the three brothers had returned home, by about 9.30, the police again surrounded the house. Fearing that the police officers might not be restrained and act according to law, the three brothers decided to flee. As they did so, the police opened fire and killed the youngest brother, Sefer, who was only 16 years old. We can only conclude that the youngster was killed simply because he was Albanian.

This is the year's tenth victim of the Serbian nationalist terror in Kosova. This incident also gives proof that the killing and wounding of Albanians, together with other forms of physical and mental abuse have become normal elements of Serbian policy in Kosova, where even the most elementary rights, including the right to life, are not respected.

The Council for the Defence of the Human Rights and Freedoms in Pristina requests not only condemnation of this act of the Serbian police, but also adoption of measures to stop the terror against Albanians in Kosova.

Serbian Police Arrest 22 Teachers at Meeting

*AU2608173593 Tirana Radio Tirana Network in
Albanian 1330 GMT 26 Aug 93*

[Text] The final preparations for the new academic year, which starts on 1 September, are also being made in Kosova. Over the last few days, however, Albanian teachers have been obstructed in their work. The newspaper BUJKU writes today that in the Suhareke commune alone, Serbian police arrested 22 teachers during a meeting.

Meanwhile, reports for Albanian Radio Television [RTSh] satellite transmissions, which should start in October, have been welcomed by Kosovar citizens. The news was today hailed by the Albanian Popular Party as an event of national importance, particularly for the Albanian diaspora.

Police Give Villagers Three Months To Move to Albania

*AU2608190593 Tirana Radio Tirana Network in
Albanian 1730 GMT 26 Aug 93*

[Text] Reports from Mitrovica confirm that at 0400 this morning, large police contingents surrounded the village of Faber, raided 130 homes, and physically maltreated 53 residents. The following citizens are reported to be in a serious condition—[name indistinct] Rrepica, Kadri Lipani, [name indistinct] Uka, Selman Nimani, Ymer Ymeri, Haser Veliu, and Miranda Cami.

The Serbian police threatened the residents of the Faber village that if they do not abandon the village within three months and do not go to Albania, the police will force them to do so violently.

A police expedition to Ostrove in Malisheve raided the Morina families and beat up [name indistinct].

Power Struggle Among Serbs in Province

*93BA1367B Belgrade BORBA in Serbo-Croatian
3 Aug 93 p 14*

[Article by V. Ilic: "Only the Serbs Hinder the Serbs"]

[Text] The favorite motto of the torchbearers of Serbian national romanticism in the 1980's (and even more in the 1990's) that "only concord saves the Serb" has been turned into its opposite in Kosovo in the recent past, well-informed sources say. One of a series of "Serbian conflicts" has been smoldering for quite a long time now, and in Kosovo Polje it blazed up with the recent election of the opstina leadership.

No one knows exactly when the intra-Serbian battle of opinions and consolidation of power began, but the problem can be viewed through the example of the political climate following the elections last December. Of the 30 deputy seats in Kosovo Polje Opstina, two-thirds went to the Socialists and the remainder to the Radicals, the SK-PJ [League of Communists—Movement for Yugoslavia], Trajkovic's SDP [Social Democratic Party], and a group of citizens. The inauguration of the opstina government, prescribed by law to be accomplished within a month after the election results are announced, was dragged out until 23 July, because, as they say in Kosovo Polje, "the activity of the SPS [Socialist Party of Serbia] was blocked." In practical terms, two interest groups have been created: the Socialists on the one side and Socialists in a coalition with the Radicals and the rest of the deputies on the other.

District Chief Milos Simovic noted the problem in his area when he wrote to the Serbian Government (back in February) that in Kosovo Polje the legal deadlines had passed and that it could all be resolved either by introducing a temporary council or by calling new opstina elections. The headquarters of the SPS in Belgrade became interested in the discord among Serbs and also in the party, and it sent its emissaries to Kosovo Polje in

the form of a working group that included Zoran Andjelkovic, Zivorad Igic, Miroslav Markovic, Ivica Mihajlovic, with the assistance, well-informed sources say, of even Radmila Bogdanovic. The working group proposed a compromise: that the "belligerents" each nominate a candidate for each opstina post. This idea fell through, because a group of 18 deputies (making up an informal coalition) elected the opstina fathers as they saw fit. Dobrica Lazic was elected the top man in Kosovo Polje (he was represented from the opposite camp as a man who was vulnerable because he had been the investigating judge in the "Martinovic case" and had also conducted the investigation in the "Met Kasumaj case—the big robbery on the Pristina-Zagreb line to meet the needs of the separatists"). The "defeated group" says of this election that it was done "in Kacanik fashion," alluding to the parallel Albanian leadership elected at one time in Kacanik.

Among the first who raised their voices against this kind of "split among Serbs" was Dr. Zoran Grujic, deputy of the SPS in the Serbian Assembly and one of the leaders of the Kosovo Polje "people's resistance movement for the survival of Serbs" back in the 1980's (along with Miroslav Solevic, Kosta Bulatovic, and Bosko Budimirovic). In his opinion, the conflict in the SPS is a "pure manifestation of the influence of forces outside Kosovo Polje."

"Their people are now rejoicing. To compound the evil, everything was done unlawfully, because every opstina clerk knows that the leadership of the opstina was supposed to be elected within a month after the election and announcement of the election results. That is why the legal act of the Justice Ministry and Minister Tomislav Ilic proclaiming the tardy election legal and lawful is shocking. Is it not absurd for the Justice Ministry and the minister himself not to respect the regulations? It does not matter whether this 'lawful' outcome in Kosovo Polje is the consequence of an order

by the minister or not. Tomislav Ilic, if he cares at all about ethics and his profession, ought to submit his resignation! After all, this act of the ministry has actually verified the split that had begun among Serbs in Kosovo Polje and in Kosmet," Grujic said categorically.

In his opinion, the essence does not lie in the fight for opstina posts, because Kosovo Polje is a small and poor opstina. It is in the interest of agitators from the outside to set the personnel of Kosovo Polje at odds with one another and to force them to be concerned with themselves so as not to bother the group of those who hold power in Kosmet in carrying on their smuggling and speculation unhindered. After all, immense power is concentrated in the hands of a few Serbs, in view of the fact that Albanians do not share in it. Now, a few people are deciding everything, because they get it on the basis of several posts, Grujic said.

Patriotic forces which carried the national movement of the Serbs in the period of separatism are now leaving the scene, it is felt in Kosovo Polje, and "that trend is obvious." The people in Kosovo Polje, as those that deserve the credit for the national awakening of Kosovo Serbs in the 1980's, are asking to be given a more substantial amount of power in Kosmet, but also in the republic, because "a unified Serbia is the backbone of the interests and political struggle of the people of Kosovo Polje." Deputy Grujic is now waiting among other things for Slobodan Milosevic to personally "rescind" the unlawful election of the opstina leadership in Kosovo Polje and to prevent a further deepening of the division in Kosmet and the driving out of people from the movement. Otherwise, he says, the survival of the Serbs in Kosovo and Metohija is seriously jeopardized.

The people of Kosovo Polje now say with longing that at one time, in the period of his pilgrimages to Kosovo, Slobodan Milosevic said: "Serbia should be given to you, because only you can preserve it and will not give it to anyone." What would Slobodan Milosevic say today?

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